Future-prepared

Committed to charting new horizons

Fermenta Biotech Limited
Annual Report 2022-23

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Contents

Future-prepared.

Fermenta is capitalising on decades of expertise in manufacturing and marketing Vitamin D to transform into a nutrition-focused company.

The Company has proactively created capacities and capabilities to accelerate its journey towards the holistic manufacture of nutritional ingredients.

Fermenta is attractively placed to evolve its nutrition portfolio, which is expected to enhance value in a sustainable way for all its stakeholders.

Part 1

What we are, what we do and how we performed

Fermenta Biotech Limited.

The Company is principally engaged in the manufacture of Vitamin D, APIs, enzymes and providing environmental solutions services.

Building on longstanding competencies in the Vitamin D space, Fermenta has deepened its commitment to 'Empowering lives through quality nutrition'.

The Company is augmenting its presence in the nutrition segment in line with societal needs and global priorities to combat micronutrient deficiency.

Fermenta has built capacities and capabilities to manufacture new products in its emerging portfolio of nutritional ingredients, customised premixes and fortified rice kernel.

Fermenta has widened its distribution network with the objective to service global customers better.

The Company has maintained prudent borrowing, strengthening its competitiveness across market cycles.

Our vision

To create a system and nurture it to reach a state of functioning, enabling it to acquire a state of timeless stability and growth.

Our mission

To produce high quality niche products, used in every line of pharmaceutical, food and fine chemical manufacture, through innovative and concentrated research efforts, thus becoming the most preferred eco-friendly solutions provider in bio-catalysis and pharmaceuticals.

Employees

550

The Company's human resource strength as on March 31, 2023.

The Company is mainly engaged in the manufacture of Vitamin D, APIs, enzymes and providing environmental solutions services.

Our pedigree

Dr. D. V. K. Raju established Fermenta Biotech Limited in 1951. The Company has gained recognition in the pharmaceutical, enzyme technology and environmental solutions industries. Fermenta has earned respect for its ability to balance its more than 70 years of history with a forward-thinking mindset.

Our cutting-edge infrastructure

The Company possesses expertise in the certified pedigree of its manufacturing facilities, comprising advanced technologies, which reinforces its quality leadership. The Company established its manufacturing units in Kullu (Himachal Pradesh), Dahej (Gujarat) and Pennepalli (Andhra Pradesh). The Company strengthened its research and development center in Thane (Maharashtra).

Our ratings

The Company's long-term bank facilities for fund-based limits and term loans received a stable outlook credit rating of CARE A- (A minus) by a reputable credit rating agency, while the short-term bank facilities for non-fund-based limits received a credit rating of CARE A2 (A two). These ratings signify the Company's sound financial stability and its ability to fulfill financial obligations.

Listing

The Company's equity shares are actively traded on the Bombay Stock Exchange Limited. As of March 31, 2023, the Company's market capitalisation was ₹314.76 Crores.

Our international presence

The Company's quality products, timely service and excellent manufacturing capabilities have been recognised through a sustained presence in more than 60 countries, where it serves over 350 global customers. The Company's subsidiaries in the United States and Germany are expanding the Company's global distribution footprint in North America and Europe.

60
Presence across countries

350
Global customers

Our international subsidiaries

Fermenta Biotech GmbH (Hamburg, Germany): Fermenta Biotech GmbH is a wholly-owned subsidiary of Fermenta Biotech Limited (FBL), India. The production of Vitamin D3 500 feed grade powder for animal nutrition in Germany strengthens the Company's endeavor to achieve customer proximity in Europe. Fermenta Biotech GmbH provides support for feed grade powder production through a local toll manufacturer in Germany. The Company expects to leverage the made-in-Europe product as a geographic advantage for global customers.

Fermenta USA, LLC (Nacogdoches, USA): Fermenta Biotech USA, LLC, a wholly owned subsidiary of Fermenta Biotech Limited, acquired a majority stake in AGD Nutrition, LLC in 2020. Followed by the acquisition, AGD Nutrition, LLC was renamed Fermenta USA, LLC (FUSA). FUSA is situated in Texas, USA, and is expected to add value to Fermenta's business due to its presence in the world's largest pharmaceutical market. Fermenta USA's expertise comprises animal nutrition (ingredients for feed) and human nutrition (dietary and nutritional supplements). Fermenta USA, LLC comprises a strong distribution network across North America.

Our product mix

Fermenta is among the leading global manufacturers of Vitamin D, producing a range of Vitamin D variants used in pharmaceuticals, dietary/nutritional supplements, food and beverages, veterinary, feed, and rodenticide applications. In addition to its Vitamin D products, Fermenta is a manufacturer of enzymes used to produce ingredients for various industries, including pharmaceuticals, food and fragrances, oleochemicals, biodiesel, leather and fine chemicals. In addition, the Company provides waste water management and treatment solutions. Fermenta also offers a range of nutritional ingredients, such as fish oil-derived cholesterol for aquaculture nutrition, natural astaxanthin, and Vitamin AD2 premix, among others.

Our events and associations

Convention on Pharmaceutical Ingredients (CPhI) Worldwide 2022

Fermenta exhibited in CPhI Worldwide held in Frankfurt, Germany. The Company networked with global clientele, partners and potential customers in the human nutrition segment.

Convention on Pharmaceutical Ingredients (CPhI) India 2022

Fermenta was an exhibitor in CPhI India held in New Delhi. The Company engaged with its domestic customers and partners in the pharmaceutical sector during the event.

International Trade Fair for Sewage Technology (IFAT) India 2022

Fermenta's environmental solutions business division exhibited at IFAT (India's biggest environment technology trade fair) in Mumbai along with its German partner, KLARO for meeting clients and expanding business leads in the waste water management and treatment segment.

Council for Responsible Nutrition (CRN)

Fermenta joined the US-based dietary supplements trade association Council for Responsible Nutrition (CRN) as a voting member. CRN is a global body of more than 180 member companies, a leading trade association for the dietary supplements and functional food industry. Fermenta is also a part of CRN's Vitamin D task force, which developed the award-winning Vitamin D and Me! campaign to promote evidence-based content through collaborations with researchers.

Vitamin D Guru

Fermenta's public awareness initiative Vitamin D Guru aims to educate consumers about the health benefits of Vitamin D and encourage users to check the incidences for Vitamin D deficiency. Vitamin D Guru's initiatives span across in-person events as well as digital platforms.

CRN is a global body of more than 180 member companies, a leading trade association for the dietary supplements and functional food industry.

Awards and recognitions, FY 2022-23

Great Place to Work

The Company achieved the Great Place to Work certification for the fourth consecutive year during FY 2022-23. At Fermenta, we strive to consistently enhance employee engagement by maximising human potential and creating positive experiences in the workplace. The certification is a hallmark of the sustained pride employees have shown in the Company and the deep foundation of trust placed in Fermenta by each employee. This recognition is a reflection of the connectedness of colleagues beyond locations and functions.

Finalist: CEO of the Year, CPhI Pharma Awards 2022

Fermenta's Managing Director Mr Prashant Nagre was nominated as a finalist for CEO of the Year on the global platform, CPhI Pharma Awards 2022, which is a part of CPhI Worldwide, one of the largest pharmaceutical industry events worldwide.

Excellence in Pharma Supply Chain award, Institute of Supply Chain and Management

Fermenta was felicitated with the Excellence in Pharma Supply Chain award by the Governing Council of the Institute of Supply Chain and Management (ISCM) Private Limited. The award is a recognition of Fermenta's excellence in orchestrating its supply chain in the previous year.

How we have grown over time

1951
International Franchises Private Ltd. was established as a company that focuses on toll manufacturing of pharmaceutical products.

1967
Commenced the commercial manufacture of Vitamin D

1980
After Solvay acquired Philips Duphar SV, it became the new joint venture partner in the production of Vitamin D.

1986
The establishment of Fermenta Biotech Limited took place with the inauguration of its manufacturing facility in Kullu, Himachal Pradesh.

2002
Demerged pharmaceutical business to Solvay

2003
The manufacturing capacity was expanded at Kullu to include Vitamin D and other products, such as Phenyramidol. The name of the Company was subsequently changed to DIL Limited.

2011

Commenced the second plant for manufacturing Vitamin D at Dahej

2012

The Company introduced its latest catalyst Fermase PA 850 for Penicillin G Acylase and enhanced the production capacity of Vitamin D resin in Dahej.

2014

Launched Vitamin D 100 CWD to cater to the food and dietary nutraceutical supplements market

2016

Enhanced Vitamin D capacity at Dahej. Launched a new version of Vitamin D 500 feed grade powder.

2017

Fermenta obtained EDQM's CEP certification for its Vitamin D manufacturing facility in Dahej, and received FSSC 22000 and BRC food safety approvals for both plants.

2019

Completed the amalgamation of DIL and FBL (combined entity renamed Fermenta Biotech Limited).

Incorporated a wholly-owned subsidiary called Fermenta Biotech GmbH,in Germany.

Integrated backwards to manufacture cholesterol, the key starting material of Vitamin D.

2020

Introduced fish oil cholesterol for aquaculture nutrition. Established a wholly-owned subsidiary named Fermenta Biotech USA LLC in the USA.

Acquired a controlling stake in AGD Nutrition, a US-based vitamin company, through Fermenta Biotech USA LLC and renamed it Fermenta USA LLC.

2021

Launched Vitamin AD2 for oil fortification

2022

Fermenta Biotech signed a binding term sheet with Mextech Property Developers LLP for the development of its land parcel in Thane.

Fermenta commissioned a fortified rice kernel manufacturing facility in Andhra Pradesh.

Our experienced Board of Directors

Mr. Sanjay Buch

Chairman, Non-Executive and Independent Director

With over 25 years of experience in the legal field, he has handled various aspects of law, with a focus on Business Restructuring and Mergers & Acquisitions. He provides legal counsel to a number of prominent domestic and international corporations. Additionally, he serves as a partner at Crawford Bayley & Company, a well-regarded Mumbai-based law firm.

Ms. Rajeshwari Datla

Non-Executive Director

With extensive experience in strategic management and operations of pharmaceutical companies, she has been a member of the Company's Audit Committee since joining in 2005. She also serves as a Director for Dupen Laboratories Private Limited.

Dr. Gopakumar Nair

Non-Executive Independent Director

With more than 44 years of experience in the pharmaceutical industry, he has held positions as Director, Managing Director, and Chairman of various public limited pharmaceutical companies. He has also served in various capacities for industry associations. Additionally, he is an Intellectual Property Rights consultant and a practicing Patent Attorney. He specialises in Mediation and Arbitration as well as licensing and technology transfer.

Mr. Vinayak Hajare

Non-Executive Independent Director

With more than 34 years of experience in Investment Banking and Corporate Finance, he has held senior positions in companies such as Caylon Bank, Credit Lyonnais, and Lazard India. He also served as an Associate Director at Ernst and Young. He is the Founder and Director of InterGest South Asia Private Limited, and the Economic Representative of Saarland in India.

Ms. Rajashri Ojha

Non-Executive Independent Director

She possesses more than 33 years of experience in the pharmaceutical, medical devices, and nutraceutical industries, with expertise in R&D analytical development, formulation development, regulatory and quality assurance compliance, global registrations, and marketing approvals. She is a lead auditor for ISO 13485:2016 and ISO 9001:2015 and has trained industry professionals for leading pharmaceutical and medical device companies. She has authored articles and research papers in reputed national and international journals and has received awards for healthcare leadership and women leadership. She is the founder and director of Raaj GRAPC Private Limited.

Mr. Krishna Datla

Executive Vice-Chairman

He is a forward-thinking and proactive leader who plays a pivotal role in the decision-making process and the development of new business opportunities for the Company. As the Promoter-Director of Fermenta (previously known as DIL Limited), he has been instrumental in integrating various businesses across the group and fostering a global vision for the Company, leading to expanded opportunities in international markets. In May 2021, he was re-designated Executive Vice Chairman.

Mr. Satish Varma

Executive Director

He began his career at FBL group (formerly known as DIL group) as the Executive Assistant to the Managing Director and Founder in 1995, and has since gained extensive operational, management, and legal experience across the entire spectrum of the Company. He is enterprising and analytical and has led various crucial projects. He is also a member of the Shareholder/ Investor Grievances Committees of the Company.

Ms. Anupama Datla Desai

Executive Director

With over a decade of experience in various business areas, in addition to her R&D responsibilities, she has expertise in quality control and implementation of safety policies and procedures, new technology platforms, business development, customer interaction, and marketing. Ms. Anupama has been appointed as an additional director in the Company and subsequently as an Executive Director for a period of three years, effective from September 27, 2019. She has been associated with the erstwhile FBL since 2006, and under her guidance, the Company evolved from a simple bulk drug manufacturer into a specialised and diverse biotechnology company engaged in novel discovery, formulation and process development platforms.

Mr. Prashant Nagre

Managing Director

He has more than three decades of experience in the pharmaceutical industry with expertise in API business, production, and research and development. As the head of strategy and day-to-day operations at Fermenta, he oversees business development, budgeting, manufacturing, R&D, and other related activities. He holds a Masters in Management Studies, a Post Graduate Diploma in International Trade (IIFT, New Delhi), and a Degree in Pharmacy.

Mr. Pramod Kasat

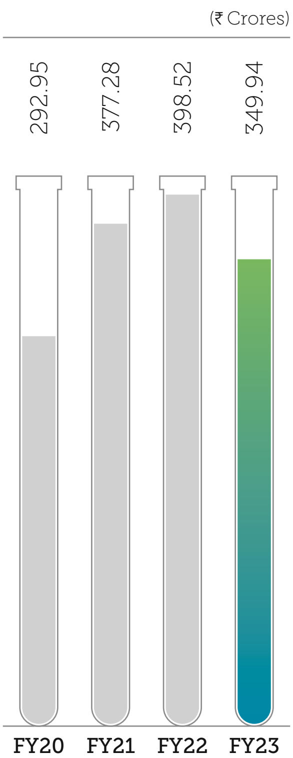
Appointed as an Independent Director from August 12, 2022

As Managing Director of Intellecap Advisory Services, he brings over three decades of experience in investment banking and financial services. He previously served as Country Head of Investment Banking at IndusInd Bank and as Director and Head of Investment Banking at Pioneer Investcorp Ltd. (PINC), where he was instrumental in driving growth of the investment banking business. He has also held leadership roles at Credit Suisse, Deutsche Bank Global Markets, IL&FS Group, and Citibank NA. He holds an engineering degree from BITS, Pilani, and a Masters in Finance from Sydenham Institute of Management Studies, Mumbai University.

Part 2

Perspectives on performance and prospects

How we performed over the past few years



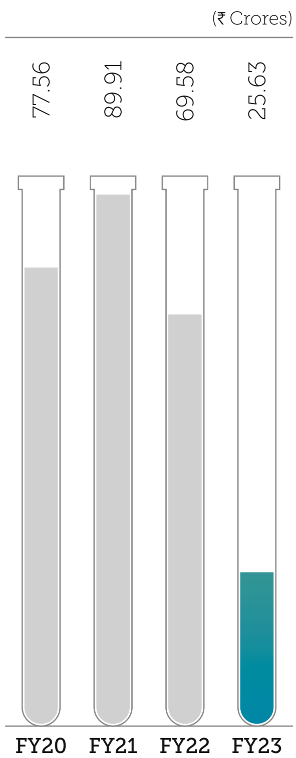
Total income

Definition
Growth in sales net of taxes.

Why this is measured
It is an index that showcases the Company's ability to maximise revenues, which provides a basis against which the Company's performance can be compared with sectoral peers.

What this means
Aggregate sales decreased during the year under review due to market complexities.

Value impact
The Company reported a 12% degrowth in revenues in FY 2022-23.



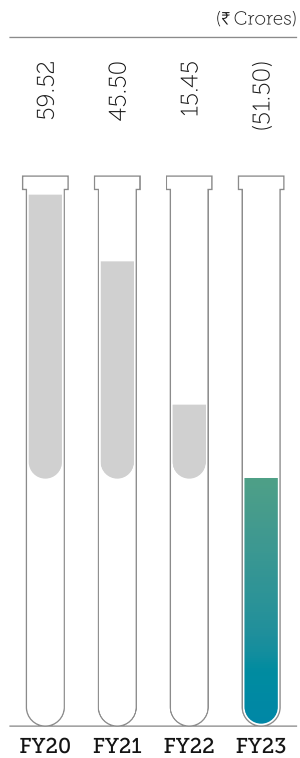
EBITDA

Definition
Earnings before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax).

Why this is measured
It is an index that showcases the Company's ability to generate a surplus after operating costs, creating a base for comparison with sectoral peers

What this means
Helps create a robust surplus generating engine that facilitates reinvestment.

Value impact
The Company reported EBITDA to the tune of ₹25.63 Crores during the year.



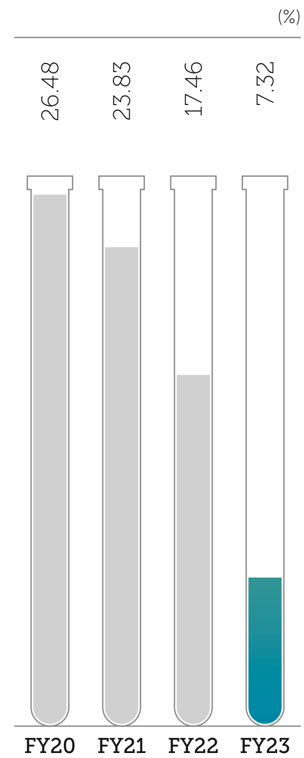
Net profit

Definition
Profit earned during the year after deducting all expenses.

Why this is measured
This measure highlights the strength of the business model in enhancing shareholder value.

What this means
This ensures the quantum of cash available for reinvestment.

Value impact
The Company reported a loss before tax and exceptional items to the tune of ₹23.40 Crores due to business challenges.



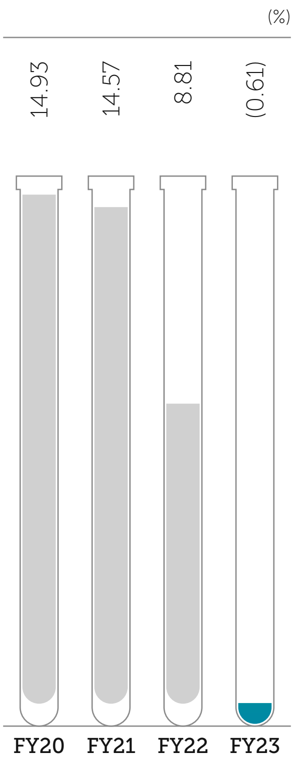
EBITDA margin

Definition
EBITDA margin is a profitability measure to ascertain a company's operating efficiency.

Why this is measured
The EBITDA margin provides an index of how much a company earns (before interest and taxes) on each rupee of sales.

What this means
This measure demonstrates the buffer in the business, which, when multiplied by scale, can enhance the business surplus.

Value impact
The Company reported a near 1014 bps decrease in EBITDA margin in FY 2022-23.



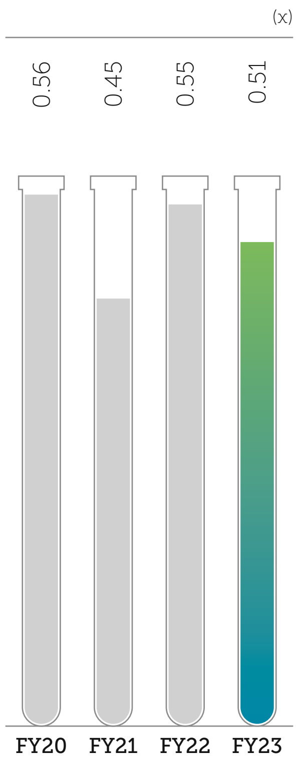
RoCE

Definition
This financial ratio measures efficiency with which capital is employed in the business.

Why this is measured
ROCE is an insightful metric to compare profitability across companies based on their capital efficiency.

What this means
Enhanced ROCE can potentially drive valuations and market perception.

Value impact
The Company reported a 942 bps decrease in ROCE in FY 2022-23.



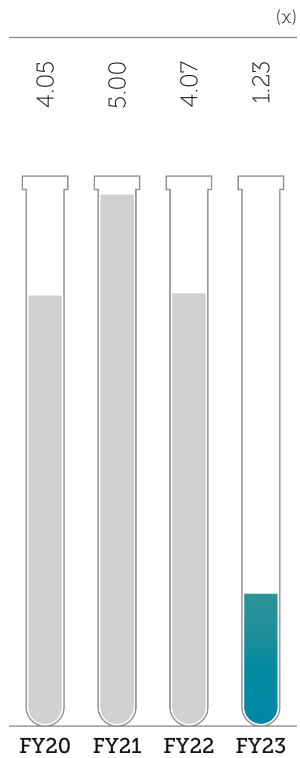
Net gearing

Definition
This is derived through the ratio of net debt to net worth (less revaluation reserves).

Why this is measured
This is one of the defining measures of a company's financial solvency.

What this means
This measure enhances a perception of the borrowing room within a company, the lower the gearing the better.

Value impact
The Company's gearing was within acceptable limits even following the mobilisation of long-term debt



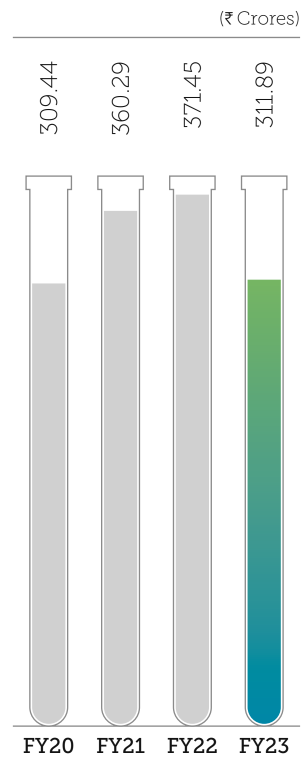
Interest cover

Definition
This is derived through the division of EBITDA by interest outflow.

Why is this measured?
Interest cover indicates a company's comfort in servicing interest – the higher the better.

What does it mean?
A company's ability to meet its interest obligations, an aspect of its solvency, is arguably one of the most important factors in assuring sizeable returns to shareholders.

Value impact
The Company's interest cover weakened by 69.72% during the year under review



Net worth

Definition
This is derived through the accretion of shareholder-owned funds.

Why is this measured?
Net worth indicates the financial soundness of a company – the higher the better.

What does it mean?
This indicates the borrowing capacity of a company and influences the gearing (which, in turn, influences the cost at which a company can mobilise debt).

Value impact
The Companys networth decreased by approximately ₹60 Crores over the previous year.

Chairman's strategic overview

Your Company has taken concrete measures not only to ensure business continuity but also to enhance its potential in challenging times

Your Company has demonstrated continued resilience and remained on course for envisioning the road map set for the future

Overview

During the year under review, Fermenta has exemplified the strength of its operations around a long standing legacy. In spite of encountering a decline in the market for our flagship product, your Company demonstrated continued resilience and remained on course for envisioning the road map set for the future. Our commitment to our stakeholders, including the global community, represents the cornerstone of our efforts in enhancing our portfolio for combating malnutrition.

I must indicate that the organisation's sustainability was relatively visible during the last financial year. The Company's credentials and capabilities protected it from the full impact of the decline in Vitamin D realisations on account of its backward integration, application diversity and geographic footprint.

The Company had invested in its strategic priorities in the last few years; it made progress in achieving these objectives during the year under review. Additionally, it enforced the principles of sustainability to strengthen operations.

We believe that the complement of these initiatives will help Fermenta consolidate its presence in the existing businesses of Vitamin D, other APIs, biotechnology and environmental solutions. In turn we believe that these initiatives will help us build a stronger company that protects its Balance Sheet from impairment during sectorial troughs and empowers it to rebound during periods of recovery.

One of the principal drivers of our strategy is a commitment to reinvent ourselves around nutrition. We believe that this represents a step forward in terms of value-added products catering to customer needs and a larger addressable market. Fermenta began to make decisive investments during the last financial year that should translate into long-term revenues and leadership.

The Company began to invest in capacities to build a new nutrition portfolio (Fortified Rice Kernel, premixes and other nutritional ingredients) that would prepare the Company to grow its presence in the preventive health segment through quality products. The common focus is on product and process innovation by sustaining its research investments.

The other intervention during the year under review was the monetisation of its real estate holdings. Following the amalgamation, the Company had communicated that its real estate assets would enhance liquidity through timely commercialisation. During the year under review, your Company monetised its real estate holdings that will enhance liquidity and reinforce the Balance Sheet to invest in the Company's core business.

By sustaining this strategic direction, the Company is optimistic of enhancing stakeholder value: community value through CSR activities, employee value through engagement programmes, vendor value through long-term engagements, customer value through collaborative alliances and shareholder value through robust governance.

I am optimistic that as a result of proactive investments, Fermenta will capitalise on the sectorial trend and be at the right place at the right time to enhance value for all those holding shares in our Company.

Sanjay Buch
Chairman

The Company began to invest in capacities to build a new nutrition portfolio (FRK, premixes and other nutritional ingredients) that would prepare the Company to build its presence in the preventive health segment through quality products. The common focus is on product and process innovation by sustaining its research investments.

Fermenta has exemplified the strength of its operations around a long standing legacy

Your Company remains focused on being opportunity-prepared by widening its horizons

Overview

Fermenta encountered challenging economic conditions during the year under review, following a creditable performance during the pandemic. Recent market dynamics due to geopolitical instabilities and inflationary pressures led to disruptions in supply chain and consumer demand. Following a peak in FY 2020-21 and FY 2021-22 caused by COVID-19, there was a decline in the consumption of supplements, including vitamins, due to a widening availability of vaccines. The result was that formulators and retailers selected to reduce their inventory and stagger purchases. Being one of the largest Vitamin D producers in the world, our business experienced the impact of this market correction during the last financial year.

The silver lining was that your Company's domestic business in the human nutrition matched pre-pandemic levels, contributing significantly to the performance during the year under review. The animal feed side of the Company's Vitamin D business bore the brunt of a decline in realisations and demand during the last financial year.

Fermenta remains confident of its resilience due to various sustainability and counter contingency initiatives.

Sustainability measures

Fermenta remains confident of its resilience due to various sustainability and counter-contingency initiatives.

One, your Company recognised that the buoyancy in market conditions would correct once the pandemic weakened. In view of this, your Company embarked on cost and operational management before the decline.

Two, the Company engaged in timely capacity debottlenecking that moderated the Company's cost and operational efficiency, reinforcing the Company's capacity when demand revives.

Three, the Company continued to invest in research & development with the objective to sustain its thought leadership and competitive advantage. During the year under review, the Company undertook process improvement and new technology research, which resulted in the development of products (subsequently validated at the plant scale).

Four, other than the joint development project at the Thane premises, the Company monetised a substantial part of its real estate holdings in the Thane One real estate property, which helped provide liquidity.

Expanding horizons

As a Vitamin D manufacturer, your Company established itself as a reputable and trusted player. To grow the business, Fermenta recognised the need to diversify its portfolio to address emerging opportunities and cater to the evolving preventive healthcare segment. During the year under review, the Company implemented initiatives to graduate into a comprehensive provider of quality nutritional offerings.

The Company exemplified its long-term commitment towards nutrition through the introduction of value-added products like Vitamin K1, Vitamin E50 and premixes for oil and rice fortification. Your Company commissioned a manufacturing facility for Fortified Rice Kernel (FRK) in Andhra Pradesh and largely completed the construction of a customised premix plant in Kullu. As a manufacturer of quality nutritional products, the Company aims to contribute to the global battle against hidden hunger.

Positive outlook

At Fermenta, we are optimistic of our prospects. We have positioned ourselves in the right space as the world recognises the importance of preventive health ingredients across animal and human applications.

The Company protected its brand during the last financial year, marked by the sustained manufacture of quality products approved by global regulatory agencies. It invested in a complex distribution network to deliver products with speed across locations. This indicates that the Company is opportunity-prepared for a price cum demand recovery across the foreseeable future.

Our talented and passionate workforce remains at the heart of our organisation. We strengthened relationships with customers, endeavouring to deliver timely service and support. Our commitment to the Triple Bottomline remained consistent as we continued to focus on people, planet and profit. Our environment, health and safety initiatives demonstrated Fermenta's dedication in building a green future and reducing our impact on the environment.

At Fermenta, we believe that responsible growth can only be achieved through the empowerment of proximate communities through CSR initiatives. In accordance with our values, your Company's collaboration with various institutes represents an extension of our endeavour in demonstrating responsible corporate citizenship. The Company continued to prudently borrow through a challenging FY 2022-23, a robust foundation on which to build the business in a sustainable way.

Conclusion

Your Company expects to ride through the challenging environment and remain prepared to capitalise on opportunities as we continue to prioritise innovation and customer-centricity.

I extend my heartfelt gratitude to all our shareholders, customers, employees and business partners for their support. Together we will persist in generating shared value and creating a meaningful impact on communities globally.

Prashant Nagre
Managing Director

We continue to prioritise innovation and customer-centricity.

Our Integrated
Value Creation Report

Overview

The Integrated Report has emerged as a comprehensive disclosure tool of how companies enhance stakeholder value.

What makes this tool effective is that it covers all stakeholders affected by the Company's business - employees, customers, suppliers, business partners, local communities, legislators, regulators and policy makers.

The reporting format draws on a range of corporate realities - financial, management commentary, governance, remuneration and sustainability reporting – to explain how companies create, enhance, sustain and protect value.

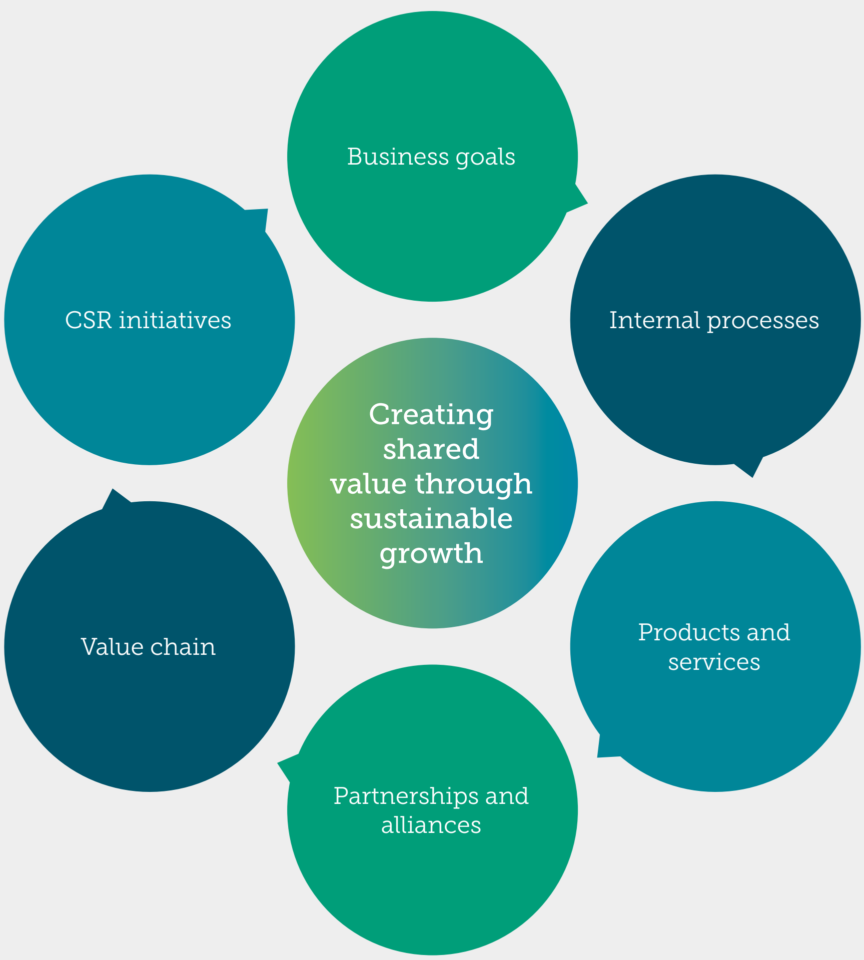
Strategic focus	Key enablers
Innovate and excel	Process excellence, translating into quality
Cost leadership	Focused cost management through superior manufacturing technologies, capacity scale-up and forward integration
Supplier of choice	A growing appetite for resources and services, a robust platform for vendors with a long-term business focus. The Company works with a global base of resource providers.
Robust people practices	People practice marked by empowerment, responsibility and accountability. Culture of training, fairness, reward and recognition
Responsible corporate citizen	Responsible citizenship, marked by ground level activities in neighbouring communities. Spent ₹113.63 Lakhs in CSR activities, FY 2022-23
Value-creation	Focused stakeholder value-addition; products enhance well-being and environment cleanliness

Material issues addressed	Capitals impacted
Superior technology leading to production efficiency and quality	Manufactured, Intellectual and Financial
Market cycle competitiveness	Financial, Intellectual, Natural, Social and Relationship
Revenue visibility, cost management culture and investing in advanced technologies	Intellectual, Manufactured, Social and Relationship
Enhancing people productivity through enhanced ownership and simpler processes	Intellectual and Human
Engagement with community members, understanding their needs and delivering transformative outcomes	Social and Relationship and Natural
Growing stakeholder need for enhanced value	Intellectual, Manufactured, Social and Relationship

Integrated performance report: Mapping our corporate actions with Sustainable Development Goals (SDGs)

Overview

At Fermenta, we continue to align our corporate actions and initiatives with the United Nation’s Sustainable Development Goals, underlining the importance of the Company with the overall needs of the world.



SDG 2: Zero hunger

- Contributing towards eliminating 'hidden hunger', which could lead to immuno-deficiency, by bringing in world-class ingredients for fortification of staple foods, the enhancing their nutritional content
- New product launches such as fortified rice kernel and customised vitamin mineral premixes that enable communities to combat micronutrient deficiencies

SDG 3: Good health and wellbeing

- Our portfolio progression into value-added quality ingredients for human nutrition: Bioavailable and stable ingredients that support health and immunity, by means of organic and inorganic growth in our basket of offerings.
- Vitamin D Guru is our public awareness initiative related to the health benefits of Vitamin D and its natural sources

SDG 4: Quality education

- We offer customised training and development programs across functional areas.
- Fermenta has contributed towards infrastructure for schools in the local communities
- In collaboration with the National Association for the Blind (NAB), Fermenta contributes towards Braille kits, educational grants and has set up the NAB DVK Music Academy.

SDG 6: Clean water and sanitation

- Our expertise in Environmental Solutions for waste-water management and treatment: Collaboration with German technology provider to offer state-of-the-art sewage treatment plants (STPs)
- Improvement in water quality, wastewater treatment and safe reuse through our bio-product and engineering solutions

SDG 8: Decent work and economic growth

- Employees across locations: 550
- Vaccination drives carried out across locations for employees and their families
- Training carried out for upskilling across roles including functional and behavioural trainings

SDG 9: Industry, innovation and infrastructure

Promoting sustainable value chain: Implemented backward integration measures to become one of the few sustainable suppliers of Vitamin D globally

Fostering innovation: Patents filed for process improvements as well as new technologies

SDG 10: Reduced inequalities

- Fermenta consciously hires female trainees across functions to provide a platform for young talent
- Grievance redressal committees constitute at least one female member
- Our workforce includes differently abled employees, as per our endeavour to provide employment opportunities
- Contribution towards infrastructure at Paraplegic Rehabilitation Centre (CSR) for army veterans who suffer from spinal cord injuries

SDG 12: Responsible consumption and production

Effective management of emissions, by-products & waste: Reduce, Reuse and Recycle

- Actively identifying opportunities for resource optimisation through solvents recovery and recycling
- Waste minimisation and conservation of resources: Well-defined systems in place for recycling of waste
- Hazardous chemicals are segregated and neutralised properly for safe disposal

Moderation of water consumption

- Waste generation within the limits prescribed by the CPCB and SPCBs across all locations
- ISO 14001:2015 compliant Environmental Management System
- ISO 45001:2018 compliant Occupational Health and Safety Management System

SDG 13: Climate action

Reduced emissions: Our enzyme technologies allow our valued clientele to reduce CO2 emissions by utilising green chemistry

Lower resource utilisation: By using our enzymatic platforms, end application customers consume less energy, water and raw material as compared to conventional methods

Decreased hazards: Our green chemistry solutions result in lower use of hazardous reagents during processing and reduce harmful waste products as well as by-products

SDG 15: Life on land

- Fermenta collaborated with Sanjay Gandhi National Park for its CSR initiative, Nurture Nature, where it adopted a female leopard cub, among various contributions for maintaining the flora and fauna

Part 3

The products that enhance our relevance

Vitamin D & niche APIs

Vitamin D

Overview

While bone health has been the most documented outcome of Vitamin D, its extra skeletal benefits emerged with Vitamin D receptors being found in cells across the body. Vitamin D is recognised as a crucial hormone regulating a variety of genes and functions involved in glucose homeostasis, cardiovascular function and modulation of the immune system.

Fermenta Biotech is a global leader in Vitamin D and has the distinction of being the only organisation in India to manufacture Vitamin D3. The Company implemented backward integration for manufacturing cholesterol (the key starting material for Vitamin D3).

Our sectorial context

Around 50% of the population is affected by the insufficiency of Vitamin D across the globe. More than 1 billion people across the globe, encompassing all ethnicities and age groups, suffer from Vitamin D deficiency. The prevalence of Vitamin D deficiency in India ranged from 40% to 99% with most of the studies reporting a prevalence of 80-90%.

(Source: Marketsandmarkets (2020), M Holick; N Engl J Med. 2007 Jul 19;357(3):266-81., J Family Med Prim Care. 2018 Mar-Apr; 7(2): 324–330).

Health benefits of Vitamin D

Immune support: Vitamin D is recognised as a vital hormone with many pleiotropic actions including important effects on the immunological system. Vitamin D exerts immunomodulatory benefits along with anti-microbial, anti-viral and anti-inflammatory actions.

Respiratory health: Epidemiological studies reported that Vitamin D deficiency is linked to pulmonary infections and acute lung injury. Vitamin D receptors are distributed extensively in respiratory epithelial and immune cells. Sufficient Vitamin D levels exhibit a protective effect on the lungs and respiratory immunity and are known to reduce the risk of asthma and respiratory infections.

Heart health: Vitamin D deficiency contributes to several chronic conditions such as diabetes, hypertension, coronary heart disease and atherosclerosis. Vitamin D can offer cardio protection and plays a vital role in minimising the risk of major cardiovascular diseases.

Diabetes: Diabetes is a chronic disease associated with several microvascular and macrovascular complications. Vitamin D plays an important role in immune functions, inflammatory responses as well as in chronic diseases such as diabetes and its complications.

Metabolism: Vitamin D is a crucial hormone for overall health and is known to be inversely associated with cardiometabolic risk factors such as central obesity, hypertension and insulin resistance.

Bone health: Vitamin D is essential for musculoskeletal health as it promotes calcium homeostasis and mineralisation and has direct effects on bone remodeling. Vitamin D deficiency is known to be associated with low bone mineral density, decreased muscle mass and strength and increased fracture risk.

Our competitive features

Unique: Fermenta is among the three CEP-certified companies across the globe, which provides a distinctive edge over competitors.

Pioneering: The Company manufactures Vitamin D3 active pharmaceutical ingredient with the help of its proprietary technology.

Knowledge capital: The Company enjoys 55 years of experience and proficiency in manufacturing Vitamin D3 with a base of over 350+ customers

Scale: The Company is among the top three producers of Vitamin D3 in the world

One stop shop: The Company manufactures Vitamin D3 for various applications such as pharma, food, dietary and nutritional supplements, veterinary, feed and rodenticides

Integrated: The Company has completely backward integrated its manufacturing operations

Certifications: The Company's products and manufacturing facilities are certified by various global health regulators like US-FDA (FFRN), American Vegetarian Association, FAMI-QS and WHO-GMP.

Outlook

While the previous year showed a peak demand for Vitamin D in the human nutrition segment due to COVID-19, accumulated

inventory reduced demand in FY 2022-23. The Company expects demand to stabilise above the pre-pandemic levels. Consumer interest in supplementation along with a government focus on preventive health is expected to drive the Company's Vitamin D business.

In the realm of animal nutrition, there has been a sustained period of weak global demand and low realisations. However, Fermenta remains prepared for the next market upswing by securing approvals for its feed grade Vitamin D3.

Niche APIs

Overview

Fermenta manufactures specialty APIs viz., Phenyramidol Hydrochloride and Silicon powder (Activated Dimethicone Powder).

Product portfolio

Phenyramidol Hydrochloride and Silicon powder (Activated Dimethicone Powder) caters to global customers. Phenyramidol Hydrochloride is a potent muscle relaxant with analgesic effects.

Outlook

With increasing instances of lower back, neck and shoulder pain caused by prolonged use of electronic devices, the pharmaceuticals business appears to have promising growth potential. The Company plans to enhance processes to capitalise on this trend.

Nutrition

Nutritional ingredients

Vitamin K1

Fermenta launched Vitamin K1 in API and spray dried format. Vitamin K1, also known as Phytonadione or Phylloquinone, is a fat-soluble vitamin that plays an essential role in blood clotting and is also required for the development of healthy bones and teeth. Impaired blood clotting is the clinical symptom of Vitamin K deficiency, adults at risk of vitamin K deficiency also include patients taking anticoagulant drugs, which are Vitamin K antagonists.

Vitamin E 50% feed grade

Fermenta introduced Vitamin E 50% feed grade in FY 2022-23 in the domestic market. Vitamin E as supplementation is essential as it cannot be naturally synthesised by poultry and swine; the demand for animal feed industry is expected to increase now that the pandemic is over.

Fish oil cholesterol

Fermsterol® is Fermenta's fish oil-derived free-flowing and easily mixable cholesterol. Cholesterol is required for the synthesis of molting and sex hormones, bile acids as well as Vitamin D. Shrimps are incapable of de novo sterol biosynthesis, making them rely on the dietary source of cholesterol.

Strategic alliances

Natural Astaxanthin

Overview

Natural Astaxanthin is a powerful carotenoid with a unique amphiphilic free radical scavenging ability across the cell membrane and has numerous benefits for eyes, brain, immunity, skin, anti-oxidant, cardiovascular health and fertility. It is mostly used for anti-aging, anti-flammatory, sport and maintenance purposes.

Being an exclusive authorised distributor in the Indian subcontinent, FBL offers a premium range of Natural Astaxanthin – NatAxtin® variants for human nutrition applications along with its aquaculture-focused natural astaxanthin.

Fermenta and Atacama: NatAxtin® is a natural Astaxanthin from *Haematococcus pluvialis* cultivated by Atacama Bio. Atacama's Chile-based manufacturing facility is located in the pristine environment of the Atacama Desert. Its proprietary production technology, sustainable, low-energy consuming efforts offer a nearly natural approach for the production of Astaxanthin with world-class standards. Atacama Bio's strength of manufacturing high quality natural astaxanthin, coupled with Fermenta's robust distribution network and market expertise, makes Fermenta a reliable distributor.

NatAxtin®: Possesses unmatched potency (10x effective than beta-carotene, 4x effective than Lutein). Natural Astaxanthin is an evidence-based molecule (more than 100 human clinical trials) with efficacy and safety assurance (clinically proven benefits in CVD, diabetes, vision and skin).

Omega-3 fatty acids

Fermenta and Golden Omega: Fermenta Biotech is an exclusive authorised distributor partner of Golden Omega's product variants in the Indian subcontinent. Based in Chile, Golden Omega manufactures quality Omega-3 fatty acids. Its state-of-the-art facility is located in Arica, enabling a full traceability of the fresh raw material, and is equipped with the latest technology to ensure the high purity of its products. Its strong R&D center allows the development of customised solutions with specific EPA/DHA ratios and possesses international patents.

Fermenta and Omega 3: We offer a variety of superior quality Omega 3 oils for soft gels or liquids with combinations of EPA+DHA. The advantages of these Omega-3 concentrates comprise the following:

- Low contaminants and heavy metals
- Extremely low in Cholesterol
- Extremely low in oxidation parameters
- Sensory profile suitable for all applications
- Clear and almost transparent appearance

Vitamin K2

Fermenta and Kappa: Fermenta Biotech is the authorised distributor partner of Kappa Bioscience's 'K2VITAL® MCC powder and MCT oil' product range in India. Kappa Bioscience AS, based in Norway, is a pioneer in the development and production of all-trans menaquinone-7 (Vitamin K2 MK-7), marketed under the K2VITAL® brand name. Kappa remains committed to ensure the best possible K2, backed by superior quality, to promote the significant health benefits of this vitamin.

Vitamin K2: Vitamin K2 is an essential micronutrient with scientifically proven benefits in bone and heart health. K2VITAL® is the purest and stable form of Vitamin K2 MK-7, identical to the one found in nature. K2VITAL® is available in oil and powder formats for applications in the nutraceutical and food & beverage segments.

Customised premixes

Overview

Fermenta is setting up a plant in Kullu to manufacture customised premixes for human nutrition in domestic and global markets. The plant will adhere to stringent manufacturing standards and quality assurance protocols, undertaking tailor-made premixing as per customer requirements. The raw materials sourced will have a secure and traceable value chain for ingredients. The Company will launch customised premixes for industries including staple food fortification, bakery and confectionery, beverages and health food drinks, dietary supplements as well as Ready To Use Therapeutical Food (RUTF) and Ready To Use Supplementary Food (RUSF).

Strengths

Fermenta's dedicated premix manufacturing facility in Kullu, Himachal Pradesh, possesses an FSSAI license and is based on the 'dry plant' principles of stringent control over wet and dry-cleaning practices as well as separation of wet-wash and drying areas. Our formulation development lab in Thane, Maharashtra, is equipped with all the necessary infrastructure to develop premixes customised to client requirements.

Vitamin AD2 premix: Fermenta's premix, VITADEE® AD2 Oily Blend, addresses the oil fortification segment in India. Enriched with the goodness of Vitamins A and D, VITADEE® AD2 Oily Blend is a holistic solution for oil fortification requirements. Its formula is compliant with FSSAI fortification regulations. This Vitamin AD2 premix, designed for oil fortification, is stable and does not affect the sensory properties of oil such as taste, odour, or colour.

Fortified Rice Kernel (FRK) Premix: Compliant with Food Safety and Standards Authority of India ('FSSAI') guidelines for rice fortification, FRK premix is fortified with iron, vitamin B12 and Folic Acid.

Outlook: Staple food fortification

Staple food fortification has become a powerful tool in India's fight against micronutrient deficiency. With a high daily consumption across all population groups, staple food fortification is a cost-effective commodity that reaches diverse communities.

The government's endorsement of staple food fortification and validations from around the world highlight the nutritional benefits of fortified food. In the light of this, the FSSAI proposed draft regulations mandating the fortification of edible oils throughout the country. The government announced plans to initiate rice fortification under various schemes, including Public Distribution System, Integrated Child Development Services, PM POSHAN (erstwhile Mid-Day Meal Scheme) and other welfare schemes.

Fortified Rice Kernel (FRK)

Overview

Fermenta entered the rice fortification market and commissioned a facility to manufacture Fortified Rice Kernel (FRK) in Pennepalli, Tirupati district, Andhra Pradesh.

Fortified rice manufacturers mix FRK with traditional milled rice, enhancing its nutritional content.

India is one of the leading producers of rice with a large population consuming rice as a part of their staple diets. Coupled with the low incremental cost for rice fortification, this makes for a scalable and cost-effective strategy since there is a significant retention of micronutrients even after processing the rice.

Strengths

- Access to quality raw materials due to in-house manufacturing of FRK premix
- Customised shape, size and color of fortified kernels for any variety of rice
- Similar to non-fortified rice in terms of appearance, odour and taste
- Customisable blend of micronutrients to address specific needs of vulnerable populations
- Food preparation procedures need not be changed due to the use of extrusion technology which provides stability of micronutrients across wide variety of processing, storage, washing and cooking.

Outlook

In developing countries, including India, there is a significant prevalence of nutritional anaemia caused by a deficiency of iron, folate, and B12, particularly among women of child-bearing age and children. To address the widespread issue of malnutrition, the Prime Minister of India has committed to fortify all rice distributed by the Indian government by 2024.

Integrated biotechnology

Overview

At Fermenta, we provide one-stop solutions encompassing fermentation, enzyme purification, enzyme immobilisation, enzymatic synthesis, microbiology, genetic engineering and polymer beads development to scale-up synthesis.

Fermenta was among the first in its sector to develop fermentation-based Penicillin G Amidase-bio catalyst enzyme (PGA) (Fermase PA 850) used in the biocatalytic hydrolysis of amide bonds for beta-lactam intermediates and Penicillin G Acylase - for PS 250 - bio catalyst enzyme (PGA) (Fermase PS 250) used in the biocatalytic synthesis of beta-lactam antibiotics.

The Company consistently reinforced the network of enzymatic production of ampicillin and amoxicillin derivatives in India. Fermenta, as a pioneer in immobilised enzyme technology, is a prominent lipase enzyme producer, offering biotechnology solutions. CAL B Lipase enzyme offers wide applications for green chemistry in chiral active pharmaceutical ingredients, oleo chemicals, biofuel and personal care products. The enzyme is preferred due to a higher stability and activity in hydrolysis, esterification and transesterification reactions across industries.

Strengths

Immobilisation platform: The Company developed a library of polymer supports customised for immobilisation of different enzymes that enable recyclability.

Maximising efficiency: Fermenta improved its fermentation process for improvements in enzyme activity.

Technical support: The Company engages in knowledge sharing with customers on maintenance, optimum use of immobilised enzyme and reactor design to scale up the enzymatic process.

Scaling up green chemistry: Fermenta is actively working towards promoting CAL B lipase in niche applications, which can revolutionise various critical API processes.

Competitive advantages of our enzymes

Suitability

The Company's enzyme platform provides applications across industries from active pharmaceutical ingredients, food ingredients and fragrances among others.

Sustainability

Immobilised enzymes can be reused due to patented epoxy support beads.

Safety

The enzymes can be expressed in safe and industrially suitable strains.

Specificity

The enzymes have a specific action on substrate depending on the applications.

Business segment

Environmental solutions

Overview

Fermenta addresses the environmental requirements of private institutions in the sewage and effluent treatment segment. The Company's bio-tech solutions in the field of wastewater management are aligned with national priorities for water recycling. The Company is proficient in developing sewage treatment plants with various technologies like Moving Bed Bio-film Reactor (MBBR) and Sequential Batch Reactor (SBR). Fermenta's strategic transformation is focused on annual maintenance contracts for waste water treatment plants.

Strengths

Scale: Fermenta's environmental solutions division is competent to explore and execute projects of varying magnitude and nature.

Versatile: The business segment is working on various environment projects that include existing and new sewage treatment plants.

Capability: The business segment is capable of designing, monitoring, planning and managing projects with technical knowledge, competence, experience and project management skills.

Eco-friendly: Fermenta's bioproduct Fermsept® is an eco-friendly alternative for existing products

Outlook

- The Company commissioned sewage treatment plants on Membrane Bio-Reactor (MBR) technology and provided reusable water quality in commercial space. The Company modified the technology from Moving Bed Biofilm Reactor (MBBR) to MBR including civil works.
- The Company received orders for technologies comprising MBBR, Sequential Batch Reactor (SBR) and MBR.
- The Company continued to grow its relationship with its German partner KLARO and membrane manufacturer DUPONT.
- Fermenta modified the sewage treatment plant in Thane from manual operations to the automatic, using the pneumatic system, Programmable Logic Controller (PLC), Supervisory Control And Data Acquisition (SCADA).

Part 4

Drivers of our competence

Business driver

Manufacturing excellence

Overview

At Fermenta, we progressively invested in manufacturing technologies that represented cutting-edge standards of the day, reflected in our manufacturing efficiency.

Our manufacturing facilities

Dahej, Gujarat: The Company's dedicated green field manufacturing facility at Dahej was established in 2011 to primarily manufacture Vitamin D3. The Dahej plant has received various certifications, validating its comprehensive focus on manufacturing excellence. The plant possesses backward integration for the manufacture of cholesterol, which is used as a key starting material for Vitamin D3.

Kullu, Himachal Pradesh: Fermenta's biotech plant to manufacture Penicillin G Amidase and Acylase enzyme was established in 1987. The manufacturing unit added a bulk drug division to manufacture Vitamin D3 and niche APIs such as Phenyramidol and Silicon Powder. The plant is certified by various global regulatory bodies. The upcoming premix plant is being established in the Kullu facility.

Pennepalli, Andhra Pradesh: Fermenta commissioned a new facility to manufacture Fortified Rice Kernel (FRK). This has helped the Company to enter the rice fortification market and strengthen its emerging portfolio in nutrition.

Competitive features

Equipped: The Company's manufacturing facilities are equipped with state-of-the-art technologies and equipment, enhancing process safety and integrity.

Quality: At Fermenta, our manufacturing units are 24x7 audit ready and certified by authorised organisations across the globe.

Safety: Fermenta aims to ensure adequate safety in place to conduct its manufacturing operations, moderating the incidence of hazards and accidents.

Highlights, FY 2022-23

- The Company started the manufacture of Vitamin K1 API through its multi synthesis plant setup at Dahej as well as Vitamin K1 spray dried format.
- The Company started its new manufacturing unit at Pennepalli, Andhra Pradesh, to manufacture fortified rice kernels.
- Fermenta launched Vitamin E50 for animal feed applications.

Outlook, FY 2023-24

The Company's customised premix plant at Kullu is under construction and is expected to be commissioned in 2023.

Fermenta commissioned a new facility in Andhra Pradesh to manufacture Fortified Rice Kernel (FRK)

Business driver

How we improved our supply chain management during FY 2022-23

Overview

Fermenta undertook a transformative journey with the primary focus of establishing a digital enterprise that encompasses various business functions. The Company aimed to pioneer novel operations that extended beyond conventional enterprise resource planning. This involved proficiently managing the supply chain, implementing plant automation, utilising business analytics, leveraging cloud technology, and ensuring real-time access to information.

Through collaborations with global partners, Fermenta successfully upgraded its technological infrastructure. This strategic engagement facilitated the seamless flow of real-time information and updates. Operating as a supply chain-centric organisation, the Company prioritised nurturing strong relationships with its business partners, especially third-party logistics service providers, to ensure reliability and trust.

The Company harnessed operational efficiencies through streamlined planning, efficient procurement practices, and optimised logistics management, reinforcing its commitment to excellence in supply chain operations.

How we have transformed to emerge stronger

- Strengthening supplier relationship
- Enhancing transparency and visibility
- Prioritised risk management
- Prioritised customer-centricity
- Prioritised contingency planning

Business driver

Research and development through innovation

Overview

The Company enjoys a modern, fully equipped, DSIR-approved research and development facility complemented by skilled and committed scientists. Across the decades, Fermenta invested in cutting-edge R&D, graduating it towards sectorial leadership. A deep research-based culture translated into the timely development of new products cum grades, high product quality and robust product characteristics. The Company received formal grants on 10 patents during the year under review.

Our research and development divisions

Active Pharmaceutical Ingredients (API): The research and development of active pharmaceutical ingredients combines the expertise on photochemistry, chromatography, molecular distillation and multi-step process development skills

Biotechnology: The Company's biotechnology R&D enjoys a wide experience in the areas of bacterial fermentation, enzyme expression, immobilisation platforms and process development in various enzymatic applications

Formulations development: The Company's dedicated formulations development lab focuses on solutions for various value-added formats in the nutrition basket, including premixes (liquids and solids).

Highlights, FY 2022-23

- Fermenta developed Vitamin K1 active pharmaceutical ingredients during the year under review
- The Company developed Vitamin K1 in a spray dried format.
- The Company developed and supported the commercialisation of Vitamin E50%
- The Company conducted efficiency improvements for existing products in the active pharmaceutical ingredients segment
- The Company embarked on the development of new applications for enzymes
- The Company provided technical support to customers for replacing chemical synthesis with enzymatic process.
- The Company initiated the lab scale development of various premixes.

Our focus areas

Active pharmaceutical ingredients
- Process improvement mechanisms
- Yield enhancement initiatives

Biotechnology
- Molecular biology and genetic engineering
- Microbiology
- Fermentation
- Immobilisation

Formulations development
- Developing new premixes for human nutrition
- Value-added variants of existing products

Business driver

How Fermenta is building talent competence

Overview

Fermenta's focus on talent drives attractive growth, marked by empowerment, collaboration and accountability. Fermenta's distinctive people culture, including knowledge sharing, training & development and an invigorating workspace, led to remarkable outperformance over the decades.

The Company's unique talent management stood out on account of an HR policy focused on professional and cultural development. Its people-centric practices were aligned with business objectives, boosting strategic clarity.

The Company's talent practices followed national and international labor regulations' standards. Core values aligned with the Group Code of Conduct, creating a safe, challenging and rewarding workspace.

The Company strengthened functional training by collaborating with a reputed training program platform. As part of a proactive approach to diversify the product portfolio in the nutritional segment, the Company trained its team through the dietary supplement library subscription. Additionally, technical training sessions were conducted across various functions at all locations.

The Company continued personal profile analysis and human job analysis using behavior assessment tools to map competencies for internal job roles. Team members from different locations were nominated for technical conferences to enhance skills. Employees were also nominated for additional certification programs and conferences through reputed institutes.

The organisation launched an online learning module with a top software provider, allowing employees to self-nominate and access a range of behavioral training courses.

Great Place to Work®

Fermenta received its fourth consecutive Great Place to Work® certification, reflecting employees' trust in the organisation. The recognition from the Great Place to Work Institute acknowledges Fermenta's commitment to improve employee engagement practices and enhancing its culture year after year.

Outlook

The Company focuses on strengthening Organisational Development interventions, implementing additional retention programs, launching new initiatives for employee engagement and providing executive coaching for senior management.

Part 5

How we have enhanced our Responsibility and Sustainability

Nurturing the community

Overview

Fermenta understands the significance of expanding its corporate values beyond its internal stakeholders to those who account for a crucial role in its existence. By working together with communities, the Company actively engages in co-creating programs that contribute to their economic development and improve their overall quality of life.

At the core of its business sustainability lie its corporate values, that are deeply ingrained in its identity, shaping how it responds to external changes. At Fermenta, sustainability is characterised by economic viability, environmental protection and social equity.

The Company's CSR initiatives are an integral part of its identity, reflecting its commitment to compassion and responsibility. By actively engaging in these initiatives, the Company reinforced its position as a stable and reputable business entity, known for its positive impact on society.

Our CSR initiatives

Paraplegic Rehabilitation Centre (PRC): The Company partnered this organisation in Pune to empower defence force personnel who were medically boarded. Fermenta is engaged with PRC in the areas of advanced mobility, water management and communication systems. Over the last few years, the Company has been consistently donating powered and manual wheelchairs for the defence personnel, who were medically boarded due to spinal cord injuries. Apart from this, the Company provided communication systems and infrastructure to PRC. Fermenta's environmental solutions division helped in the installation and commissioning of water management resources such as rainwater harvesting system.

Sanjay Gandhi National Park (SGNP): Fermenta partnered SGNP for its Nurture Nature initiative where it sponsored the infrastructure required for the maintenance of the national park. This initiative is in line with company's sustainability objective of ensuring environmental sustainability, protection of flora and fauna, animal welfare, conservation of natural resources and other related activities.

National Association for the Blind, India (NAB): Fermenta contributed to empowerment of the visually impaired by means of Braille kits, surgeries (keratoplasty and squint correction) as well as grants for NAB students to undertake educational courses.

Other contributions: Fermenta continued support schools, hospitals and police stations across Maharashtra, Himachal Pradesh and Gujarat.

Environment, health and safety

Overview

At Fermenta, we are conscious of our responsibilities towards environment, health, safety and sustainability management. The Company implemented a policy on occupational health, safety, environment and sustainability. The Company enjoys a single integrated management system, which provides a foundation to the overall health, safety, environment and sustainability framework. Fermenta is committed to provide and maintain a safe, healthy and environment-friendly workplace for its employees, customers, suppliers, subcontractors and business partners.

Our environment commitment

The Company's environment philosophy includes a green pursuit in addition to the focus on conserving finite resources, reducing harmful emissions and sustainable management at all stages of the value chain and throughout the life cycle of the products. The Company is committed to achieve its targets by implementing the best technology and management programs through a combination of water and energy conservation, minimised water emissions, rainwater harvesting and solid waste recycling. The Company's manufacturing units have significantly moderated water consumption, effluent generation, solid and hazardous waste along with greenhouse gas emissions. This has helped moderate the overall impact on natural resources and the environment.

Our health and safety commitment

At Fermenta, we accorded a priority to employee health and safety. The Company's health and safety team achieved and maintained globally approved fire safety standards that includes the installation of fire / smoke detection technology at the Dahej and Kullu units.

Occupational health and safety ensured that indoor manufacturing, research and development labs remained conducive to good health and wellbeing by recognising, evaluating and controlling the health and safety hazards using knowledge and experience in industrial hygiene, asbestos management, air and water quality and safety engineering.

The manufacturing unit and research and development labs identified scenario-based emergency preparedness plans to counter specific emergencies. The Company conducts periodic drills to increase the preparedness of emergency response team members. The Company monitors its safety standards through a focus on appropriate safety control, elimination of unsafe activities, providing better replacement methods and installation of engineering controls.

Key performance indicator changes

FY	2018	2019	2020	2021	2022
Occupational accidents / First aid injury	07	05	03	02	02
Loss time injury / Medical treatment injury	00	00	00	00	00
Frequency rate	0.0	0.0	0.0	0.0	0.0
Severity rate	0.0	0.0	0.0	0.0	0.0

Occupational accidents / first aid injury

The injuries resulting in work time loss.

Loss time injury

An injury causing disablement, extending beyond the day of shift on which the accident occurred.

Frequency rate

Frequency of accidents, the number of employees killed or injured in occupational accidents per one million total working hours.

Severity rate

Severity of accidents, the number of workdays lost due to occupational accidents per one thousand total working hours.

Management discussion and analysis

Global economy

Overview

The global economic growth was estimated at a slower 3.4% in 2022, compared to 6% in 2021 (which was on a smaller base of 2020 on account of the pandemic effect). The relatively slow global growth of 2022 was marked by geopolitical disruptions, unprecedented inflation, pandemic-induced slowdown, higher interest rates, global liquidity squeeze and quantitative tightening.

The challenges of 2022 translated into moderated spending, disrupted trade and increased energy costs. Global inflation was 8.7% in 2022, among the highest in decades. US consumer prices increased about 6.5% in 2022, the highest in four decades. The Federal Reserve raised its benchmark interest rate to its highest in 15 years. The result is that the world ended in 2022 concerned that the following year would be slower.

Outlook

The global economy is expected to grow 2.8% in 2023, influenced by the ongoing disruptions. Concurrently, global inflation is projected to fall marginally to 6.6%. Despite these challenges, there are positive elements within the global economic landscape. Approximately 70% of the global economy demonstrates resilience, with no major financial distress observed in large emerging economies. Despite high inflation, the US economy demonstrated robust consumer demand in 2022. Driven by these positive factors, global inflation is likely to be still relatively high at 4.3% in 2024. Interestingly, even as the global economy is projected to grow less than 3% for the next five years, India and China are projected to account for half the global growth.

(Source: IMF)

Indian economy

Overview

Even as the global conflict remained geographically distant from India, ripples comprised increased oil import bills, inflation, cautious government and a sluggish equity market. India's economic growth was 7.2% in FY 2022-23. India emerged as the second fastest-growing G20 economy in FY 2022-23. India overtook UK to become the fifth-largest global economy. India surpassed China to become the world's most populous nation.

(Source: IMF, World Bank)

Outlook

There are green shoots of economic revival, marked by an increase in rural growth during the last quarter and an appreciable decline in consumer price index inflation to less than 5% in April 2023. India is expected to grow around 6-6.5% (as per various sources) in FY 2023-24, catalysed in no small measure by the government's 35% capital expenditure. The growth could also be driven by broad-based credit expansion, better capacity utilisation and improving trade deficit.

(Source: IMF data, RBI data, Union budget 2023-24 data, CRISIL report, Ministry of Trade & Commerce, NSO data)

Overview of industries we operate in

Pharmaceuticals

Global pharmaceutical industry overview

The global pharmaceutical industry has experienced significant growth in the last two decades. The market size of the worldwide pharmaceutical industry was pegged at USD 1,098.52 billion in 2022, which is expected to reach USD 1,115 billion in 2023. The market is further expected to continue the growth momentum at a CAGR of 5.8% during FY 2023-28, reaching USD 1,478 billion by 2028.

The global rating agency, Fitch Ratings has given the pharmaceutical and biotech sector a neutral sector outlook, indicating Fitch's estimate of a favourable operating environment in 2023, despite inflationary pressures and the environment of increased interest rates. Fitch anticipates a return to normalcy in the industry's demand after a brief period of disruption, with fundamentals once more supporting long-term growth assumptions in the sector and favourable secular trends like a growing and ageing population, an increase in the prevalence of chronic diseases and greater access to healthcare globally.

(Source: Statista)

Growth drivers

Increasing medication use: Over the past decade, the use of medications has increased by 36% (measured in daily dosage). Although growth is anticipated to moderate through 2027, it is expected to increase by roughly 8% from 2022 to more than 3.4 trillion doses.

(Source: IQVIA research report)

COVID-19's impact on medicine use: Post-pandemic effects continues to have an impact on pharmaceutical markets globally, with an estimated $500 billion increase in the net cumulative pharmaceutical market from 2020 to 2027, primarily due to Covid related drugs and vaccines. The global market growth is expected to return to pre-pandemic levels by 2024.

Indian pharmaceutical industry overview

The Indian pharma industry has been rightfully recognised as 'the pharmacy of the world' as it consistently supplies medicines worldwide. India's domestic pharmaceutical market is estimated to grow to USD 65 billion by FY 2024-25 from the estimated USD 41 billion in FY 2022-23 at a growth rate of CAGR 10% and is further expected to reach USD 130 billion by FY 2029-30. This robust growth is driven by COVID-19-induced demand for critical drugs and other supplies. The Indian Pharmaceutical industry is a prominent player in the global pharmaceutical market, with a market share of 3rd worldwide in production volume and 14th by value. India is a major exporter of pharmaceuticals, with over 200+ countries served by Indian pharma exports. For the period FY 2022-23, export of drugs and pharma products stood at USD 25.39 billion up by 3.25% from the previous year

(Source: India ratings, BQ prime)

Growth drivers

Growing demand for generic drugs: The demand for affordable generic drugs has been increasing globally and India is one of the world's largest exporters of generic drugs. The Indian pharma industry has been able to capitalise on this demand by producing high-quality generic drugs at affordable prices, the Indian generic drugs market stood at USD 24.53 billion in FY 2022-23 and is expected to grow at a steady compound annual growth rate (CAGR) of 6.97% during the forecast period for FY 2023-30.

(Source: Pharmabiz.com)

Robust FDI inflow: In FY 2022-23, FDI in the pharmaceutical sector increased by 45.4% to USD 2.05 billion, compared to USD 1.41 billion in the previous year, due to relaxed investment regulations allowing up to 100% FDI for greenfield investments and up to 74% for brownfield investments.

Increasing healthcare spending: India's health expenditure is 2.1% of GDP in FY 2022-23. With increasing healthcare spending and a growing middle class, the domestic market is expected to continue to drive growth in the pharma industry.

Strong research and development capabilities: India improved its ranking in the Global Innovation Index (GII) 2021 report to climb to 46th from 81st in 2015. The Indian pharma industry has invested heavily in research and development, leading to the development of innovative drugs and treatments.

(Source: World Intellectual Property Organisation)

Increasing exports: The Indian pharma industry exports its products to over 200 countries worldwide. India's pharma exports witnessed a staggering growth of 138% from FY 2013-14 till FY 2022-23. With the increasing demand for affordable healthcare, especially in emerging markets, the export market is expected to continue to grow.

Increasing investment in healthcare infrastructure: India's public expenditure on healthcare is expected to reach 2.5% of GDP by 2025. The Indian government is investing heavily in healthcare infrastructure, including hospitals, clinics and research centers. This is expected to increase demand for pharmaceutical products.

Rise in demand for healthcare insurance: The Indian health insurance market size reached USD 120.1 billion in 2022 and is expected to reach USD 219.1 billion by 2028, exhibiting a growth rate (CAGR) of 10.64% from FY 2023-28. An increased health insurance coverage will further increase pharmaceutical consumption.

(source: IMAC group)

Government initiatives

Pradhan Mantri Jan Arogya Yojana (PM-JAY): The pharmaceutical industry's growth is fueled by initiatives like PMJAY, the world's largest health assurance scheme. Its core aim is to provide an annual health cover of ₹5 Lakhs per family, encompassing secondary and tertiary care services. This substantial healthcare support creates a significant demand for pharmaceutical products and services, driving the industry's expansion.

Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP): The availability of quality generic medicines at affordable prices through the PMBJP has contributed to the establishment of over 9000 Janaushadhi Kendras throughout the country. These initiatives play a crucial role in ensuring accessible healthcare options, promoting the pharmaceutical industry's growth.

PLI Schemes: The announcement of an additional outlay of ₹197,000 Crores for the pharmaceutical PLI scheme in 13 key sectors such as active pharmaceutical ingredients, drug intermediaries and key starting materials.

Scheme for bulk drug parks: Three bulk drug parks in Himachal Pradesh, Gujarat, and Andhra Pradesh have received approval with a financial outlay of ₹3,000 Crores. The scheme is set to be operational by FY 2024-25. This strategic move is expected to boost domestic pharmaceutical manufacturing capabilities.

APIs

Global industry overview

The global active pharmaceutical ingredients market size was valued at USD 222.4 billion in 2022 and is expected to expand at a compound annual growth rate (CAGR) of 5.90% from 2023 to 2030. The advancements in active pharmaceutical ingredient (API) manufacturing and the rising prevalence of chronic diseases such as cardiovascular disease and cancer can be attributed to the growth. Government policies, as well as changes in geopolitical situations, are driving the market growth. Furthermore, many governments have developed plans and provided incentives to encourage the production of API.

The North American market currently holds the highest revenue share of 38.80% in 2022, driven by increasing R&D spending on cancer and lifestyle-related diseases. Asia Pacific is expected to have the fastest CAGR of 7.1% during the forecast period, primarily due to low-cost API production from countries such as China and India, and rising healthcare spending. Europe is also expected to grow significantly, driven by an increase in research funding and the presence of key market players.

(Source: grandviewresearch.com)

Indian industrial overview

India is a big producer of APIs and accounts for 8% of the global API industry. The Indian active pharmaceutical ingredient market is expected to grow at a staggering rate of 13.7% from FY 2022-26. There are a lot of different APIs made in India and it contributes 57% of APIs that are pre-qualified by the World Health Organisation(WHO). The reason India's API market is so lucrative is because of its strong domestic market, advanced chemical industry, skilled workforce, stringent quality and manufacturing standards and low costs.

(source: Candle Partners report for FY 2022-23)

Nutraceuticals

Global nutraceuticals market overview

The global nutraceuticals market size reached a value of about USD 485.78 billion in 2022. During the forecast period of FY 2023-28, the market is expected to grow at a CAGR of 8.20% to attain a value of USD 779.48 billion by 2028. The increasing demand for health supplements is a major driving factor for the market. With the availability of multiple approved products in the market, various options for consumers are expected to aid the nutraceutical market development. The market value is likely to inflate during the forecast period due to the rising investments by key players in the market for the development of innovative and improved products. High investment in research and development is also expected to aid manufacturers in the production process and positively impact the technology used in production.

(Source: expertmarketresearch.com)

Growth drivers

Rising metabolic disorders: The prevalence of metabolic disorders is on the rise and this is fuelling the growth of the nutraceuticals market. More than 30% of the US population has metabolic syndrome. This is expected to lead to increased demand for nutraceuticals, which in turn will fuel market growth.

(Source: US National Cholesterol Education Program and International Diabetes Federation)

Sport and health supplements: The growth of sports and health supplements will work together to support the growth of the Nutraceutical industry. People are becoming more aware of the benefits of health supplements for various medical concerns, which is driving demand for nutraceutical products.

The post-pandemic effect: The pandemic served as a significant wake-up call, prompting a shift towards aligning health needs for better nutrition quality, combating fraudulent health claims and reducing substandard marketing. With heightened consumer interest in healthy nutritional supplements, there has been an increased demand for zinc, vitamin D, vitamin C, and mineral-rich foods, leading to a surge in nutraceutical product sales. According to a 2020 survey by the Council for Responsible Nutrition, 77% of U.S. adults take dietary supplements, with 87% believing that supplements can play a crucial role in maintaining or improving their health.

Indian nutraceuticals market

Between 2023 and 2025, the nutraceuticals market is projected to grow at an impressive rate of 21%, reaching a market size of approximately USD 18 billion by 2025. The promising opportunities in the Indian market have attracted the attention of numerous international nutraceutical firms. Additionally, Indian consumers' emphasis on product quality and efficacy over price further contributes to the market's expansion. These factors are expected to fuel continued growth in the coming years.

Growth drivers

Shifting mindset towards proactive/preventive healthcare post-COVID: The COVID-19 pandemic has prompted a shift in people's attitudes towards health, with a more proactive approach. This has led to significant growth in the preventive healthcare sector, which is expected to reach USD 197 billion by 2025 in India.

Ingredients backed by research and application: The active ingredients used in supplements are natural extracts and their levels are backed by adequate scientific research and evidence. Advances in chemical engineering allow for harnessing these ingredients in an effective manner, expanding the availability of new compounds to enable natural health.

Customer experience and product innovation: The nutraceutical industry is making supplements available in various forms such as tablets, gummies, chewable and mixes, making them easy to consume on the go. Nutraceutical brands are also selling experiences and not just products by helping customers understand what they are ingesting.

Biotechnology - Enzymes

Global market review

The enzymes market experienced substantial growth in 2022, with a valuation of USD 12.46 billion. Projections indicate further expansion, with the market size expected to reach USD 20.5 billion by 2030, reflecting a compounded annual growth rate (CAGR) of 6.5% from 2022 to 2030.

The industry's growth is attributed to several factors, including heightened consumer awareness about health, increased demand for food and beverages and technological advancements.

The applications of enzymes span various sectors, from food and fragrance to pharmaceuticals, oleochemicals, leather and biodiesel industries.

(Source: grandviewresearch.com)

Indian market review

The India enzymes market was valued at USD 390.68 million in FY 2022-23 and is expected to grow at a CAGR of 8.67% during the forecast period of FY 2022-23 to FY 2029-30.

Technological advancements and product innovations are key factors influencing the market.

(Source: techsciresearch.com)

Indian real-estate sector review

India's real estate industry is pegged to grow at a compound annual growth rate (CAGR) of 9.2% during FY 2023-28. Indian real estate market is poised to touch ₹65,000 Crores by 2025 and is expected to contribute to 13% of the country's GDP. Indian real estate sector is projected to have delivered about 82 million square feet in FY 2022-23.

The growth is attributed to increasing business activity, improved job markets and higher income levels, which is expected to lead to a rise in real estate demand. The government's initiative for 'Housing for All' through the Pradhan Mantri Awas Yojana, along with infrastructure mega-projects like highways, new airports and metros, will further stimulate the growth of real estate holdings.

According to the union budget FY 2023-24, the budget for PM Awaas Yojana was boosted by 66% to more than 79,000 Crores which aims to provide assistance to construct 2.95 Crores pucca houses with basic amenities. Tier 2 and Tier 3 markets will also grow rapidly, generating substantial returns for investors and prospective buyers are already considering these areas as alternatives to crowded and densely populated cities. The construction development sector in India saw a foreign direct investment equity inflow of approximately USD 125 million in FY 2022-23.

The real estate sector, particularly the warehousing industry, holds promise with the growth of India's e-commerce industry and government incentives like the PLI scheme. Although rising interest rates raise concerns, there is a rising demand for larger, luxurious homes and vacation houses. Tax breaks offered by the central government for homebuyers and state government initiatives to waive stamp duty and registration fees further support the industry's growth. Overall, the real estate sector is anticipated to remain stable and robust, due to government support fostering its development.

(source: fianancialexpress.com)

Company overview

Fermenta Biotech Limited is a well-established company that has been in operation for over seven decades. The Company has a diverse range of products and services that cater to various industries such as pharmaceuticals, dietary and nutritional supplements, food and beverage fortification, animal feed, veterinary and rodenticides. One of Fermenta's key areas of expertise is the manufacturing of Vitamin D3 in all its formats. The Company has a sustainable supply chain, which is a significant advantage in today's global market. Fermenta's range of Vitamin D3 variants has an optimal mix between human and animal nutrition products, making it suitable for a wide range of applications. Apart from its Vitamin D3 products, Fermenta also manufactures APIs for muscle relaxants and anti-flatulent applications. The Company delivers innovative enzymes used in the manufacturing of active pharmaceutical ingredients and provides environmental solutions for wastewater treatment and management.

Fermenta's legacy properties in Thane and Worli in Mumbai provide the Company with a significant rental income stream. This additional source of revenue complements its core business activities and strengthens its financial position. The Company signed a development agreement with Mextech Property Developers LLP for construction of residential-cum-commercial buildings in the rest of its freehold Thane land. The Company will receive from Mextech affordable luxury residential apartments on an area-sharing basis aggregating 120,000 square feet (RERA carpet area) along with mutually agreed amenities. The Company reported the execution of sale transactions of its IT/ITES building, Thane One. As on the date of this report, the Company sold a substantial part of the IT/ITES building to third parties; a part of the proceeds were utilised to repay outstanding loans related to the IT/ITES building. The sales proceeds were fair and reasonable vis-à-vis the market value of similar office premises in the neighbouring areas of Thane.

Areas that we aim to grow in

Rice fortification

Fortified rice kernels are rice grains that have been enriched with additional micronutrients. This fortification process helps to increase the nutritional value of rice, making it a healthier food option for consumption. Fortification of rice increases the amount of nutrients in food and promotes good health. Fortified rice kernels look and taste similar to normal rice and can be mixed with regular rice. In India, fortified rice is being specifically developed to address the problem of malnutrition and anemia.

Edible oil fortification

Edible oil fortification is a process that involves adding micronutrients to edible oils to improve their nutritional value. This practice is becoming increasingly popular due to the widespread use of cooking oil. By enhancing the nutritional content of oil, fortification is seen as a feasible strategy to moderate micronutrient deficiency. Furthermore, oil fortification is a cost-efficient strategy that has a wide reach and can help moderate micronutrient deficiency. All types of edible oils, including soybean, palm oil, groundnut, cottonseed and mustard, can be fortified, making it a versatile and accessible solution for addressing micronutrient malnutrition.

Milk fortification

India is the largest milk producer in the world, with an estimated production of over 200 million tonnes of milk per year. Fortified milk contains vitamins and minerals, typically vitamins D and A and it can also be fortified with other nutrients, depending on the country's dietary requirements. Studies on the benefits of consuming fortified milk have shown encouraging results.

Our strengths

Established track record and strong R&D: The Company has consistently demonstrated its expertise by consistently adding capacity to meet the growing demands. Additionally, Fermenta has an established in-house research and development (R&D) team to enhance its process and product technologies, thereby gaining a competitive edge in the industry.

Market leader: Fermenta holds a leadership position in the Vitamin D3 segment, being one of the three global players to receive a Certificate of Suitability from the European Directorate for the Quality of Medicines. With an increasing demand for Vitamin D3, the Company has focused on expanding its production capacity and has established a significant presence in the global market

Established clientele in the domestic and export markets: Fermenta has expanded its export market presence since 2010 with Vitamin D3 variants exported to 60 countries, including the USA, UK, European Union, Australia and New Zealand. FBL is a preferred vendor for various pharmaceutical multinationals globally and has a well-established and reputed client base in the pharmaceutical industry.

Risk management

Geographical risk

The Company's revenue generation potential can be restricted to a few geographies which could hamper growth in the event of a localised slowdown.

Mitigation: The Company operates in more than 60 countries. To increase its reach and lessen the effects of a slowdown in any one location, the Company is also investing in other geographical areas.

Finance risk

The Company's inability to acquire long-term funds at a competitive cost could hamper its expansion and reinvestment plans.

Mitigation: Fermenta's bank balance stood at ₹35.24 Crores and its net debt-equity ratio stood at 0.51x as on March 31, 2023; average cost of funds stood at 9.58%. The Company continuously explores funding options and maintains a healthy balance sheet to support its expansion and reinvestment plans.

Regulatory risk

Changes in the regulatory environment might lead to operational disruption.

Mitigation: The Company evaluates the consistency of the relevant rules throughout all of its operations. The Company maintains constant communication with regulatory agencies to comprehend the effects of any changes to take pre-emptive steps to minimise operational disruptions.

Competition risk

Entry of new players could lead to intense competition affecting the topline.

Mitigation: The Company primarily trades in markets with significant entry barriers that are regulated. The Company also focuses on innovation and R&D to develop differentiated products and services that offer value to customers. Additionally, the Company seeks to establish long-term relationships with customers by offering quality products and services.

Environment risk

The Company's business might affect the environmental ecosystem, resulting in possible censure or closure.

Mitigation: The Company oversees activities to guarantee total adherence to relevant laws. The Company's objectives include developing technology and equipment, setting up training courses on environmental topics and providing information on operations with significant environmental impacts (management of waste materials and chemical substances). The Company is also dedicated to lowering its carbon footprint and integrating sustainable practices into every aspect of its operations.

Internal control systems and their adequacy

At Fermenta, we are proud to say that we have some of the best internal control procedures in place that are commensurate with our size and operations. Our Board of Directors is responsible for our internal control system and sets the guidelines to ensure its adequacy, effectiveness and application. We want to emphasise that our internal control system is designed to ensure management efficiency, measurability and verifiability. We aim to provide reliable accounting and management information, comply with all applicable laws and regulations and protect our assets. This is crucial in identifying and managing our risks, including those related to operations, compliance, economic factors and finance. At Fermenta, we believe that having a robust internal control system is critical to achieving our objectives and ensuring accountability. It helps us prevent fraud and errors, enhance the reliability of financial reporting and ultimately contribute to our continued market leadership. We hope that our commitment to managing risks and ensuring accountability inspires other organisations to prioritise their internal control procedures and take the necessary steps to protect their assets.

Human resources

Fermenta's successful human resource practices have reinforced our market leadership. We invest in both formal and informal training, as well as on-the-job learning to enhance the skills and knowledge of our employees. We also prioritise engagement with our employees by providing an enriched and challenging workplace and by encouraging regular dialogues with management. Fermenta focuses on creating leaders from within the Company. By identifying and developing employees with leadership potential, Fermenta strengthens its prospects for long-term success. This approach not only benefits the Company but also provides opportunities for professional growth and advancement for employees. The employee strength of Fermenta is 550 as of March 31, 2023, Our investment in employees and emphasis on internal leadership development have contributed to continued market leadership.

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectations and estimations which may be forward-looking statements within the meaning of applicable securities laws and regulations.

BOARD'S REPORT

Dear members

The Board of Directors ('Board') is pleased to present the 71st Annual Report along with the Audited financial statements for the financial year 2022-23 (FY 2022-23).

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	Standalone results		Consolidated results	
	2022-23	2021-22	2022-23	2020-21
Total Revenue	33,648.05	39,548.68	35,763.77	40,665.16
Total Expenditure	33,557.92	35,292.44	38,103.45	37,970.85
Profit/ (Loss) before tax and Exceptional Items	**90.13**	**4,256.24**	**(2,339.65)**	**2,694.31**
Exceptional Items and Tax	(5,958.92)	-	(2,847.68)	-
Profit/ (Loss) before Tax	**(5,868.79)**	**4,256.24**	**(5,187.36)**	**2,694.31**
Less: Provision for tax (including deferred tax) and earlier years taxes	115.52	(1,232.51)	168.06	(1,188.25)
Profit/ (Loss) after tax	**(5,753.27)**	**3,023.73**	**(5,355.42)**	**1,506.06**
Non-Controlling interest		-	205.65	38.65
Share of interest in profit/(loss) of associates		-		-
Profit/(Loss) for the year	**(5,753.27)**	**3,023.73**	**(5,149.77)**	**1,544.71**

FINANCIAL RESULTS AND OPERATIONS OF THE COMPANY

During the year under review, the Company on a standalone basis registered total revenue of ₹33,648.05 Lakhs (Previous Financial year ₹39,548.68 Lakhs) and Net loss of ₹5,753.27 Lakhs as against profits of ₹3,023.73 Lakhs for the financial year 2021-22 (FY 2021-22), based on the performance of the Company.

In view of above, no amount was transferred to reserves for the year under review.

On a Consolidated basis, the Company in FY 2022-23 recorded total revenue of ₹35,763.77 Lakhs (Previous Year ₹40,665.16 Lakhs) and Net loss of ₹5,149.77 Lakhs (₹1,544.71 Lakhs profit in the in the corresponding FY 2021-22).

DIVIDEND

The Board of Directors has recommended a final equity dividend of ₹1.25 (25%) per equity share for FY 2022-23 (Previous year ₹1.25 i.e., 25% per equity share) for members' approval. The final equity dividend, if approved by the Members at the 71st Annual General Meeting ('AGM'), will result in a cash outflow of ₹36,788,733.75/. The said dividend recommendation is in accordance with the Dividend Distribution Policy of the Company which is available on the website of the Company at https://fermentabiotech.com/policies.php.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company for FY 2022-23 ("CFS") include financials of its subsidiaries and associate companies (collectively referred as 'Subsidiaries/ Associate') i.e. Fermenta Biotech (UK) Limited (United Kingdom), Fermenta Biotech GmbH (Germany), Fermenta USA LLC (USA), Fermenta Biotech USA LLC (USA), G. I. Biotech Private Limited, Aegean Properties Limited ('Subsidiaries'), and Health and Wellness India Private Limited ('Associate'). The CFS of the Company and its Subsidiaries/ Associate are prepared in accordance with the relevant Indian Accounting Standards (Ind AS) notified under the Company (Indian Accounting Standards) Rules, 2015 and other applicable provisions. CFS together with Auditors' Report thereon forms part of this Annual Report.

COMPOSITE SCHEME OF AMALGAMATION

As reported earlier, the Company made an application to BSE Limited in FY 2021-22 to seek approval/ no objection for the Composite Scheme of Amalgamation and Arrangement amongst DVK Investments Private Limited ("Transferor Company 1") and Aegean Properties Limited ("Transferor Company 2") and Fermenta Biotech Limited ("Transferee Company" or "Company") and their respective Shareholders ('Composite Scheme of Amalgamation and Arrangement').

Pursuant to No-Objection Letter dated May 30, 2022 issued by BSE Limited and subsequent filing of an application for the Composite Scheme of Amalgamation and Arrangement before the National Company Law Tribunal, Mumbai Bench ('NCLT') and compliance of applicable regulatory provisions the NCLT vide its order dated May 08, 2023, approved the Composite Scheme of Amalgamation and Arrangement. The effective date for the said Composite Scheme of Amalgamation and Arrangement of the Transferor companies and Transferee Company was May 24, 2023 ('Effective Date').

Post Effective Date, the Company issued and allotted 150,75,318 equity shares of face value of ₹5/- each, fully paid-up, to the members of the Transferor Company 1, whose names were registered as members in the Members' Register of the Transferor Company 1 as on the Record Date i.e., of June 02, 2023, in accordance with the NCLT order.

Share capital:

The authorised and paid-up share capital of the Company remained unchanged during FY 2022-23.

However, in terms of the NCLT Order dated May 08, 2023, the Authorised Share Capital of the Company increased to ₹31,83,00,000 (Rupees Thirty-One Crores Eighty-Three Lakhs) divided into 6,35,00,000 (Six Crores, Thirty-Five Lakh) equity shares of ₹5/- (Rupees Five only) each, and 1,60,000 (One Lakh, Sixty Thousand) unclassified shares of ₹5/- (Rupees Five only) each, effective May 24, 2023. The Paid-up share capital of the Company remains unchanged.

SUBSIDIARY COMPANIES

The individual financial statements of the Company's Subsidiaries / Associate are not attached to the financial statements of the Company for FY 2022-23. The financial information of the Company's Subsidiaries/ Associate provided in this Section, shall be read with the information provided under the heading 'Consolidated Financial Statements' in this report. In accordance with the provisions of Sub-Section (3) of Section 129 of the Companies Act, 2013 ("Act"), read with Rule 5 and Rule 8 of the Companies (Accounts) Rules, 2014 (as amended from time to time), a separate statement containing salient features of the financial statements of Company's Subsidiaries / Associate in Form AOC-1 is attached to this report as Annexure I and forms part of this Board's report. The audited accounts of the Company's Subsidiaries and standalone and consolidated financial statements of the Company are available at the Company's website at https://fermentabiotech.com/annual-report.php. Members may write to the Company at info@fermentabiotech.com for a copy of separate financial statements of Company's subsidiary(ies).

A strike-off application dated February 14, 2023 was made with the Ministry of Corporate Affairs ('MCA') by the Company's subsidiary named G I Biotech Private Limited (CIN U24230MH2004PTC148220). Thereafter, MCA approved the said strike off application.

As per the terms of NCLT Order dated May 8, 2023 regarding Composite Scheme of Amalgamation and Arrangement, the Company's Holding company, DVK Investments Private Limited (Transferor Company 1) and the Company's subsidiary, Aegean Properties Limited (Transferor Company 2) ceased to exist w.e.f. May 24, 2023.

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

The Company is engaged in pharmaceuticals, manufacturing and marketing Active Pharmaceutical Ingredients ('APIs'), biotechnology and environmental solutions and renting of properties. MD&A covering details of the business of the Company is provided in Corporate Overview section and forms part of this report.

INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT

In order to identify, analyse, and address potent risks in a systematic manner, your Company has developed and implemented risk management policy. It also maintains adequate internal control systems, commensurating to its size and nature of operations. Periodical reporting(s), compliance with applicable laws and Company's procedures are duly complied.

The Company has in place defined processes and check including Risk Control Matrix in relation to internal financial control. All the risk control matrices are audited and commented upon by Internal Auditors as well. Company's internal team reviews various Risk Audit Control Matrices including for Capex, logistics, human resource and payroll, treasury, Financial Statements Closure Policy, inventory production, order to cash, taxation, procure to pay, on regular intervals. The Company also operates in a different geographical segment mainly in Europe and USA through its wholly owned subsidiary companies respectively. The internal team of the Company manages this challenging job from Company's Head Office at Thane, Maharashtra. The independent Auditors auditing the financials of these two subsidiaries confirm in their Audit reports about presence of strong internal control systems.

The Company's internal control systems are routinely reviewed and certified by Statutory Auditors and Internal Auditors. During the year under review, the Company's Internal Auditors, M. M. Nissim & Co., Chartered Accountants, conducted and reported the effectiveness and efficiency of internal control system including adherence to procedures as per the policies of the Company and regulatory requirements as well.

The Company has an experienced and qualified finance department which plays an important role in implementing and monitoring the internal control procedures and compliance with statutory requirements. The Audit Committee and the Board of Directors review the report(s) of the independent Internal Auditors at regular intervals along with the adequacy, effectiveness and observations of the Internal Auditors regarding internal control system and recommends improvements and remedial measures, wherever necessary. The Company has implemented the provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") effective FY 2022-23.

HUMAN RESOURCES

The information required under sub rule (1) of rule 5 and sub rule (2) of rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Sub-Section (12) of Section 197 of the Act in respect of employee remuneration and other details forms part of this report and provided as Annexure II. Other applicable information for the above provisions will be made available to the members upon request.

The Company had a headcount of 550 employees as on the end of financial year 2022-23. The Company maintained cordial relation with its employees at all locations.

Employee Stock Options

During FY 2022-23, the Company has not granted any options under 'Fermenta Biotech Limited- Employee Stock Option Plan 2019' ("ESOP 2019").

Disclosures pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 read with SEBI Circular dated June 16, 2015 are provided at Company's website at https://fermentabiotech.com/investor_relations.php

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

In accordance with the provisions of Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder ('POSH') as amended from time to time, the Company has formulated a code on 'Redressal of Grievances Regarding Sexual Harassment' for redressal of grievances and to protect women against any harassment at workplace. The Internal Committee has been duly constituted in all locations of the Company in terms of the POSH Act and rules. The Company is committed to providing a safe and conducive work environment to all its employees and associates.

Details of complaints during the year under review.

a.	Number of complaints filed during the financial year	Nil
b.	Number of complaints disposed of during the financial year	Nil
c.	Number of complaints pending as on end of the financial year	Nil

INFORMATION TECHNOLOGY

Company has implemented a robust IT infrastructure within the organisation. The IT system enables your Company to be proactive and ensures a mechanism that predicts upcoming events and developments, and thus, helps it stay ahead of the competition. The efficient and agile IT ecosystem ensures lowering of errors/duplications and, hence, enhances work efficiency and productivity across functions. Moreover, the system also strengthens business relationships due to its capability of managing an extensive business network.

We understand, significant disruptions of IT systems or breaches of information security could adversely affect our business. We extensively rely upon sophisticated IT systems (including cloud services) to operate our business. We produce, collect, process, store and transmit large amounts of confidential information (including personal information and intellectual property).

We are constantly enabling businesses with new, innovative platforms for ERP, CRM, Vendor Invoice Management that enable the evolution of a real time enterprise. FBL also continues to work with public cloud vendors selectively to move workloads wherever found economically viable.

Regular awareness and training programmes are being conducted around IT and Information Security to ensure that all employees understand the criticality of IT and use it judiciously for the betterment of the organisation."

DEPOSITS

In FY 2022-23, your Company has not accepted any deposits under Section 73 of the Act including rules framed thereunder. There is no deposit with the Company which is not in compliance with the requirements of Chapter V of the Act. No principal or interest on deposit has remained unpaid or unclaimed as on March 31, 2023.

CREDIT RATING

As on March 31, 2023, there is a revision in Company Credit rating issued by CARE Ratings Limited as mentioned below:

I. Long-term Banking Facilities, the rating is CARE BBB+; Negative (Triple B Plus; Outlook: Negative) [Previous Year: CARE A-; Stable-Single A Minus; Outlook: Stable]

II. Short-term Banking Facilities, the rating is CARE A3+ (A Three Plus) [Previous Year: CARE A2-A Two]

DIRECTORS

Independent Directors:

Independent Directors have made relevant declarations to the Company including confirmation(s) that the conditions of independence laid down in Sub-Section (6) of Section 149 of the Act and Regulation 25 of the Listing Regulations are duly complied. In the opinion of the Board, the Independent Directors of the Company possess necessary integrity, proficiency, expertise and experience.

Directors, and Key Managerial Personnel ('KMP'):

As reported earlier, the members have appointed the following Directors on the recommendation of the Board of Directors of the Company:

i. Mr. Pramod Kasat was appointed as an Additional Director w.e.f. May 30, 2022 and as an Independent Director w.e.f. August 12, 2022.

ii. Mr. Satish Varma (DIN: 00003255) as an Executive Director of the Company (Key Managerial Personnel) for a period of 3 years w.e.f. September 27, 2022.

iii. Ms. Anupama Datla Desai (DIN: 00217027) as an Executive Director of the Company (Key Managerial Personnel) for a period of 3 years w.e.f. September 27, 2022.

In accordance with provisions of the Act and the Articles of Association of the Company, Ms. Rajeshwari Datla, Non- Executive Director (DIN: 00046864) is liable to retire by rotation at the AGM and is eligible for re-appointment. Brief profile of Ms. Rajeshwari Datla is provided along with the Notice of the 71st Annual General Meeting and forms part of this report.

Except as mentioned above, no Director or KMP has resigned or appointed during the year under review.

ANNUAL PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Details of the annual performance evaluation are provided in the Corporate Governance Report, attached as Annexure III to this report.

AUDITORS

The Company appointed S R B C & Co. LLP, Chartered Accountants (ICAI Firm Registration No: 324982E/ E300003) as the Statutory Auditors of the Company at their 70th AGM held on August 12, 2022 for a term of five consecutive years from the conclusion of 70th AGM till the conclusion of 75th AGM of the Company to be held in the year 2027.

S R B C & Co. LLP, Chartered Accountants (ICAI Firm Registration No: 324982E/E300003) has issued Auditors' Reports with unmodified opinion on the Audited Financial Statements (Standalone and Consolidated) for FY 2022-23. Auditors have not reported any offence or incident pertaining to Sub-Section (12) of Section 143 of the Act.

SECRETARIAL AUDIT REPORTS AND COMPLIANCE CERTIFICATE

In terms of Section of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and regulation 24A of Listing Regulations, Mr. Pradeep Purwar (Membership No FCS-5769), Pradeep Purwar and Associates, Company Secretaries ('Secretarial Auditor'), was appointed to conduct the Secretarial Audit of the Company for FY 2022-23.

The Secretarial Auditor has submitted: (a) an unqualified Secretarial Audit report; and (b) a certificate confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by any statutory authority, which are annexed to this report as Annexure IV and Annexure V, respectively and forms part of this report.

The Secretarial Auditor has issued Secretarial Compliance Report under regulation 24A of Listing Regulations for FY 2022-23 which has been filed with the BSE Limited within the statutory time period.

COST AUDITORS

Pursuant to the provisions of Sub-Section (1) of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (as amended from time to time), the Company is required to maintain the cost records, and conduct the cost audit in respect of applicable products manufactured by the Company for the year under review.

Joshi Apte & Associates, Cost Accountants (Firm Registration Number–00240) ("Cost Auditors") issued an unqualified Cost Audit report for the FY 2021-22 and the same was filed with Ministry of Corporate Affairs (MCA) within the due date.

The Cost Auditor will issue the Cost Audit Report for FY 2022-23 and the same will be reviewed by the Board and filed with MCA within the stipulated timeline.

On the recommendation of the Audit Committee, the Board of Directors appointed Joshi Apte & Associates, Cost Accountants (Firm Registration Number–00240), as the Cost Auditor of the Company for the financial year ending March 31, 2024, to conduct the cost audit in respect of applicable products manufactured by the Company.

Pursuant to the provisions of Sub-Section (3) of Section 148 of the Act read with Companies (Audit and Auditors) Rules, 2014 (as amended from time to time), members' consent is sought for payment of remuneration to the Cost Auditor for FY 2023-24, as mentioned in item no. 4 to the Notice of 71st AGM of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of Sub-Section (5) of Section 134 of the Act, with respect to Directors' Responsibility Statement for the year under review, it is hereby confirmed that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

(d) the directors had prepared the annual accounts on a going concern basis.

(e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ANNUAL RETURN

Pursuant to Sub-Section (3) of Section 92 read with clause (a) of Sub-Section (3) of Section 134 of the Act, a copy of Annual Return as on March 31, 2023, is available on the Company's website at https://www.fermentabiotech.com/annual-returns.php

CODE OF CONDUCT

In accordance with provisions of Listing Regulations, the Company has formulated a Code of Conduct applicable to the Board Members and the Senior Management Personnel. The said code of conduct has been uploaded on the website of the Company at: https://fermentabiotech.com/policies.php. All the members of the Board of Directors and the Senior Management Personnel has affirmed annual compliance with the Code of Conduct, as on March 31, 2023.

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company, *inter-alia*, adopted a Code of Conduct for Prohibition of Insider Trading Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, as amended from time to time. Codes adopted by the Company pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, are displayed on the Company's website at https://fermentabiotech.com/policies.php

Mr. Srikant N Sharma is the Compliance Officer for the said Code of Conduct.

NOMINATION AND REMUNERATION POLICY

In accordance with Sub-Section (4) of Section 178 of the Act, the Nomination and Remuneration Policy ('Remuneration Policy') of the Company, is available on Company's website at https://fermentabiotech.com/policies.php. The salient features of the Nomination and Remuneration Policy, *inter alia*, are: (a) Objectives, (b) Matters to be recommended by the Committee to the Board, (c) Criteria for appointment of Director / KMP / Senior management, (d) Additional Criteria for Appointment of Independent Directors, (e) Appointment and Remuneration of Directors, (f) Policy on Board Diversity, (g) Appointment, removal, and Remuneration of KMP / Senior management and other employees of the Company, (h) Criteria for Evaluation of Independent Director and the Board, (i) Succession planning for appointment to the Board of Directors and Senior Management, (j) Directors' and Officers' (D & O) Liability Insurance.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of any loans or guarantees provided or investments made by the Company covered under the provisions of Section 186 of the Act and Rules made thereunder during FY 2022-23 are as provided in the financial statements.

RELATED PARTY TRANSACTIONS

All related party transactions entered during FY 2022-23 were on an arm's length basis and in the ordinary course of business. All 'material' Related Party Transactions, which were repetitive in nature, were approved through omnibus route.

During FY 2022-23, the Company has not entered into any material related party transaction as per the provisions of the Act and Related Party Transactions Policy ('RPT Policy') of the Company. In view of this, disclosure in form AOC-2 is not applicable. The brief particulars of the Company's policy on dealing with RPT Policy are covered in Corporate Governance report. The RPT policy is available on Company's website at https://fermentabiotech.com/policies.php

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as per clause (m) of Sub-Section (3) of Section 134 of the Act read with Companies (Accounts) Rules, 2014 (as amended from time to time) forms part of this report and is given in Annexure VI to this report.

CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34 read with Schedule V of Listing Regulations, the Corporate Governance Report along with the Corporate Governance Certificate issued by Mr. Pradeep Purwar (COP No. 5918), from Pradeep Purwar and Associates, Company Secretaries, for the financial year 2022-23 is provided as Annexure III and forms part of this report. Details of number of Board meetings, board diversity and expertise, composition of the Audit Committee and establishment of Vigil Mechanism as required under the Act are provided in the Corporate Governance Report. All mandatory recommendations made by the committee(s) were reviewed and accepted by the Board of Directors.

CORPORATE SOCIAL RESPONSIBILITY ('CSR')

Based on CSR committee's recommendations and as per the CSR Policy of the Company, the Board approved the CSR activities vis-a-vis Annual Action Plan, amount to be spent on CSR activities, implementation and monitoring of the same for the FY 2022-23. Annual report on CSR activities of the Company for FY 2022-23 including composition of the CSR Committee is provided in Annexure VII to this report and forms part of this report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Regulation 34 of Listing Regulations mandates certain companies to file Business Responsibility and Sustainability Report ('BRSR'). Though our Company is not within the parameters of Regulation 34, we have however submitted BRSR for FY 2022-23 under Regulation 34 of Listing Regulations (essential indicators) which forms part of this report and attached as Annexure VIII.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During FY 2022-23, there was no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations.

OTHER DISCLOSURES:

During FY 2022-23:

I. There has been no change in the nature of business of the Company, as on the date of this Report;

II. No application was made or any proceedings were pending under the Insolvency and Bankruptcy Code, 2016;

III. Valuation related details for FY 2022-23 in respect of one-time settlement of loan from the Banks or Financial Institutions were not applicable; and

IV. There were no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report.

SECRETARIAL STANDARDS

During FY 2022-23, the Company has complied with the provisions of applicable Secretarial Standards issued by the Council of the Institute of Company Secretaries of India and approved by the Central Government.

DETAILS OF SHARES IN DEMATERIALISATION (DEMAT) SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

Pursuant to Regulation 34 read with Schedule V of Listing Regulations, the details of the shares in the Dematerialization Suspense Account/ Unclaimed Suspense Account for FY 2022-23 are as follows:

Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the beginning of the year	Number of shareholders who approached the Company for transfer of shares from Suspense Account during the year	Number of shareholders to whom shares were transferred from Suspense Account during the year	Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the end of the year	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.
184 number of shareholders and 79,770 Equity Shares of ₹5 each	5	5	179 number of shareholders and 68, 550 Equity Shares of ₹5 each	68,550 Equity Shares of ₹5 each

TRANSFER OF SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The details and other information regarding unclaimed equity dividend that has been transferred to IEPF (upto FY 2014-15) are provided in the Notes Section to the Notice of 71st AGM.

ACKNOWLEDGEMENTS

The Board of Directors would like to express its appreciation to the employees of the Company at all levels, members, bankers, financial institutions, regulatory bodies and other business associates for their support during the year under review.

CAUTIONARY STATEMENT

Statements in this report including Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations, or predictions and/or in this report may be 'forward-looking statements' within the meaning of applicable laws and regulations. The actual results may differ materially from those expressed in the statements.

For and on behalf of the Board of Directors

Sanjay Buch
Chairman
(DIN: 00391436)

Date: August 11, 2023
Place: Thane

Registered Office:
A -1501, Thane One, DIL Complex,
Ghodbunder Road, Majiwada,
Thane (West) – 400 610
Maharashtra, India.

Annexure I

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint venture entities

Part "A": Subsidiaries

Sl. No.	Particulars	(₹ in Lakhs)					
1.	Name of the subsidiary:	Fermenta Biotech GmbH	Aegean Properties Limited	G I Biotech Private Limited	Fermenta Biotech (UK) Limited	Fermenta Biotech USA LLC	Fermenta USA LLC
2.	The date since when subsidiary was acquired	05.09.2019	01.02.2002	25.08.2004	10.09.2002	27.05.2020	03.12.2020
3.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	-	-	-	-	-	-
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Euro € (Exchange Rate: 1 Euro = 89.09 INR for Assets & Liabilities, and 1 Euro = 83.68 INR for Profit and Loss account as on 31.03.2023)	INR	INR	Pound Sterling £ (Exchange Rate: 1 GBP = 101.32 INR for Assets & Liabilities, and 1 GBP = 96.77 INR for Profit and Loss account as on 31.03.2023)	US Dollar $ (Exchange Rate: 1 USD = 75.78 INR for Assets & Liabilities, and 74.50 INR for Profit and Loss account as on 31.03.2023)	US Dollar $ (Exchange Rate: 1 USD = 75.78 INR for Assets & Liabilities, and 74.50 INR for Profit and Loss account as on 31.03.2023)
5.	Share capital	831.21	30.00	0.87	183.59	1184.72	961.79
6.	Reserves & surplus	(4295.41)	130.72	(0.87)	(149.13)	(132.59)	(991.30)
7.	Total assets	2035.52	161.66	-	40.83	1919.47	1841.31
8.	Total Liabilities	5499.71	0.93	-	6.36	758.56	1786.42
9.	Investments	-	-	-	-	1061.05	-
10.	Turnover	820.05	18.00	-	-	37.58	3554.92
11.	Profit before taxation	(2416.66)	14.23	-	(0.64)	(55.49)	(394.58)
12.	Provision for taxation	-	3.53	-	-	-	112.30
13.	Profit after taxation	(2416.66)	10.70	-	(0.64)	(55.49)	(506.88)
14.	Proposed Dividend	-	-	-	-	-	-
15.	Extent of shareholding (%)	100%	100%	-	100%	100%	52% Subsidiary of Fermenta Biotech USA LLC

1. Names of subsidiaries which are yet to commence operations: N.A.
2. Names of subsidiaries which have been liquidated or sold during the year: G I Biotech Private Limited

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates	Health and Wellness India Private Ltd.
Name of Joint Ventures	-
1. Latest audited Balance Sheet Date	31.03.2018
2. Date on which the Associate or Joint Venture was associated or acquired	02.02.2011
3. Shares of Associate/Joint Ventures held by the Company on the year end	
Number	30,12,504 Equity Shares
Amount of Investment in Associates/Joint Venture (₹ in Lakhs)	475.00
Extent of Holding (%)	47.15%
4. Description of how there is significant influence	-
5. Reason why the associate/joint venture is not consolidated	Being an Associate
6. Net worth attributable to Shareholding as per latest audited Balance Sheet	
7. Profit / Loss for the year (₹ in Lakhs)	-
Considered in Consolidation (₹ in Lakhs)	-
Not considered in Consolidation (₹ in Lakhs)	-

For and on behalf of the Board of Directors

Sanjay Buch
Chairman
(DIN: 00391436)

Date: August 11, 2023
Place: Thane

Registered Office:
A -1501, Thane One, DIL Complex,
Ghodbunder Road, Majiwada,
Thane (West) – 400 610
Maharashtra, India.

Annexure II

Statement of Disclosure of Remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Information under rule 5(1) of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2022-23:**

Sl. No.	Name	Designation	Ratio of remuneration of director to median Remuneration of employees
1.	Mr. Krishna Datla	Executive Vice-Chairman	34.24
2.	Mr. Satish Varma	Executive Director	17.27
3.	Ms. Anupama Datla Desai	Executive Director	23.47
4.	Mr. Prashant Nagre	Managing Director	26.63

2. **Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2022-23:**

Sl. No.	Name	Designation	% Increase
1.	Mr. Krishna Datla	Executive Vice-Chairman	0
2.	Ms. Anupama Datla Desai	Executive Director	0
3.	Mr. Satish Varma	Executive Director	0
4.	Mr. Prashant Nagre	Managing Director	0
5.	Mr. Sumesh Gandhi	Chief Financial Officer	5%
6.	Mr. Srikant Sharma	Company Secretary	4.5%

3. **Percentage increase in the median remuneration of employees in the financial year 2022-23:** 6.8%
4. **Number of permanent employees on the rolls of the Company:** 550
5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

% increase made in the salaries of employees other than the managerial personnel:	5.95%
% increase in the managerial remuneration:	4.80%

6. **Affirmation that the remuneration is as per the remuneration policy of the Company:** Yes

Information under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (FY 2022-23)

Name	Mr. Krishna Datla	Mr. Satish Varma	Ms. Anupama Datla Desai	Mr. Prashant Nagre
Designation	Executive Vice-Chairman	Executive Director	Executive Director	Managing Director
Remuneration received (₹)	23,446,955.00	16,822,559.00	12,109,865.00	17,771,508.00
Nature of employment, whether contractual or otherwise	Contractual	Contractual	Contractual	Contractual
Qualifications and Experience	B.Com. Over 22 years of experience	Computer Science Over 28 years of experience	Post-Graduate in Biotechnology from Mumbai University and Science Graduate from the Boston College, USA Over 16 years of experience	B.Pharm, Post Graduate Diploma in Foreign Trade, Post Graduate Diploma in International Trade, Masters in Management Science Over 33 years of experience
Date of commencement of employment	09.05.2021 as Whole-time Director designated as Executive Vice-Chairman	27.09.2019 as Executive Director	27.09.2019 as Executive Director	09.05.2021 as Managing Director
Age (Years)	42	53	44	52
Last employment	-	Erstwhile Fermenta Biotech Limited	Erstwhile Fermenta Biotech Limited	Erstwhile Fermenta Biotech Limited
% of shares held	8.36%	0.08%	1.75%	Nil
Whether relative of director	Relative of Ms. Rajeshwari Datla and Ms. Anupama Datla Desai	No	Relative of Ms. Rajeshwari Datla and Mr. Krishna Datla	No

For and on behalf of the Board of Directors

Sanjay Buch
Chairman
(DIN: 00391436)

Date: August 11, 2023
Place: Thane

Registered Office:
A -1501, Thane One, DIL Complex,
Ghodbunder Road, Majiwada,
Thane (West) – 400 610
Maharashtra, India.

Annexure III

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company firmly believes that corporate governance is a key element in improving efficiency, growth as well as enhancing investor's confidence. The Company constantly strives towards betterment of aspects such as transparency, professionalism and accountability and thereby perpetuate it into generating long term economic value for its shareholders, customers, employees, other associated persons and the society at large.

Our corporate governance philosophies are continuously reinforced through the Company's Code of Conduct and Ethics, corporate governance guidelines, established practices, and committee charters. Our Board and Management processes, audits and internal control systems reflect the principles of our corporate governance framework. The Company is committed to good corporate governance in line with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Board of Directors of your Company reviews corporate governance norms from time to time and recommends implementation thereof.

BOARD OF DIRECTORS

The Board of Directors of the Company has an optimum combination of executive and non-executive Directors including three women directors, out of which one is an independent woman director as stipulated under Regulation 17 of the Listing Regulations. The Chairman of the Board is an Independent Director. The Board of Directors confirm that the Independent Directors fulfill the conditions specified in terms of Schedule V of Regulation 34(3) of the Listing Regulations and are independent of the management. The composition of the Board as on March 31, 2023 is as follows:

Name of Director	Category	Directorships in all other companies	Chairmanship in other Committees [Audit Committee and Stakeholder Relationship Committee only] in all other companies	Membership in other Committees [Audit Committee and Stakeholder Relationship Committee only] in all other companies	Name of other Listed entities in which the Director holds Directorship and the Category of such Directorship
Mr. Sanjay Buch (DIN: 00391436)	Chairman (Independent Director)	3	NIL	NIL	NIL
Ms. Rajeshwari Datla (DIN: 00046864)	Non-Executive Director	2	NIL	NIL	NIL
Dr. Gopakumar Nair (DIN: 00092637)	Independent Director	NIL	NIL	NIL	NIL
Mr. Vinayak Hajare (DIN: 00004635)	Independent Director	6	NIL	NIL	NIL
Ms. Rajashri Ojha (DIN: 07058128)	Independent Director	1	NIL	NIL	NIL
*Mr. Pramod Kasat (DIN 00819790)	Independent Director	8	2	3	2
Mr. Krishna Datla (DIN: 00003247)	Whole-time Director designated as Vice executive Chairman (w.e.f. May 9, 2021)	4	NIL	NIL	NIL
Mr. Satish Varma (DIN: 00003255)	Executive Director (re-appointed w.e.f. September 27, 2022)	3	NIL	NIL	NIL
Ms. Anupama Datla Desai (DIN: 00217027)	Executive Director (re-appointed w.e.f. September 27, 2022)	2	NIL	NIL	NIL
Mr. Prashant Nagre (DIN: 09165447)	Managing Director (w.e.f. May 9, 2021)	NIL	NIL	NIL	NIL

**Note: Mr. Pramod Kasat was appointed as an Additional Director w.e.f. May 30, 2022 and as an Independent Director w.e.f. August 12, 2022.*

Disclosure of relationships between directors inter-se

Mr. Krishna Datla is one of the Promoters of the Company. Ms. Rajeshwari Datla and Ms. Anupama Datla Desai are relatives of Mr. Krishna Datla as per the provisions of Section 2(77) of the Companies Act, 2013.

Following are the skills/ expertise/ core competencies of the Board members as identified for its effective functioning in terms of Schedule V of Regulation 34(3) of the Listing Regulations:

Skills/ expertise/ core competencies identified by the Board for Company's effective functioning

- Leadership / Operational experience
- Corporate and business laws, mergers and acquisitions
- Mediation and arbitration
- Pharmaceuticals
- Investment Banking and Corporate Finance
- Real Estate
- Licensing and technology transfer
- Research & Development and Innovation
- Intellectual Property Rights
- Regulatory compliance
- Corporate Governance

Skills/ expertise/ core competencies available with the Board Members for effective functioning of the Company:

Names	Core Competencies
Mr. Sanjay Buch	Corporate and business laws, Mergers and acquisitions Corporate Governance
Ms. Rajeshwari Datla	Leadership / Operational experience Pharmaceuticals
Dr. Gopakumar Nair	Pharmaceutical industry, Mediation and arbitration Licensing and technology transfer Intellectual Property Rights
Mr. Vinayak Hajare	Investment Banking Corporate Finance
Ms. Rajashri Ojha	Pharmaceuticals Regulatory compliance
Mr. Pramod Kasat*	Investment banking, Capital Markets and Global Market Solutions
Mr. Krishna Datla	Leadership / Operational experience Pharmaceuticals Real Estate
Mr. Satish Varma	Leadership / Operational experience Pharmaceuticals Real Estate
Ms. Anupama Datla Desai	Leadership / Operational experience Pharmaceuticals
Mr. Prashant Nagre	Leadership / Operational experience Pharmaceuticals Research & Development and Innovation

** Mr. Pramod Kasat (DIN: 00819790) was appointed as an Additional Director w.e.f. May 30, 2022 and as an Independent Director w.e.f. August 12, 2022.*

As on the date of the report, the number of directors who have the core competencies is 10.

Information regarding appointment / reappointment of Directors, as required under sub-regulation (3) of regulation 36 of the Listing Regulations and secretarial standard on general meetings specified by the Institute of Company Secretaries of India and approved by the Central Government is provided along with the Notice of the 71st Annual General Meeting and forms parts of this Corporate Governance Report.

BOARD MEETINGS / PREVIOUS ANNUAL GENERAL MEETING

- During the financial year under review, five Board Meetings were held on May 10, 2022, May 30, 2022, August 12, 2022, November 11, 2022 and February 10, 2023. The maximum gap between any two board meetings was less than 120 days, as stipulated under sub-regulation (2) of regulation 17 of the Listing Regulations.

  Attendance at the five Board meetings and previous Annual General Meeting (AGM) held on August 12, 2022 is as follows:

Name	Board Meetings attended	Attendance at previous AGM
Mr. Sanjay Buch	5	Yes
Ms. Rajeshwari Datla	5	Yes
Mr. Vinayak Hajare	5	Yes
Mr. Krishna Datla	5	Yes
Mr. Satish Varma	5	Yes
Dr. Gopakumar Nair	5	Yes
Mr. Pramot Kasat	4	Yes
Ms. Anupama Datla Desai	4	Yes
Ms. Rajashri Ojha	5	Yes
Mr. Prashant Nagre	4	Yes

AUDIT COMMITTEE

During the year under review, five Audit Committee Meetings were held on May 10, 2022, May 30, 2022, August 12, 2022, November 11, 2022 and February 10, 2023. The representatives of the Auditor(s), and Chief Financial Officer also attended the Audit Committee meeting(s).

The composition of the Audit Committee as on March 31, 2023 and the attendance of the Audit Committee members at the Committee meetings held during the financial year under review is as follows:

Name of the Director	Designation	Meetings attended
Mr. Sanjay Buch	Chairman	5
Ms. Rajeshwari Datla	Member	5
Mr. Vinayak Hajare	Member	5
Dr. Gopakumar Nair	Member	5

The composition of the Audit Committee complies with the requirements laid down in Regulation 18 of the Listing Regulations. Mr. Sanjay Buch and Mr. Vinayak Hajare possess expertise in accounting and financial management. The Company Secretary acts as Secretary to the Audit Committee.

- **Terms of reference:**

  The powers, role and functions of the Audit Committee are as per the provisions of Section 177 of the Companies Act, 2013 and sub-regulation (3) of regulation 18 read with Schedule II (Part C) of the Listing Regulations, which, inter alia include the following:

  1. Review Company's financial reporting process and accounting policies and practices.
  2. Review and recommend to the Board, appointment, re-appointment and removal of Statutory and Internal Auditors and fixation of auditors remuneration and other fees, including terms of appointment.
  3. Review with management of quarterly, half-yearly and annual financial statements and auditors' report before submission to Board for approval with particular reference to:
     (a) Director's Responsibility Statement as per clause (c) of sub-section (3) of section 134 of the Companies Act, 2013;
     (b) changes, if any, in accounting policies and practices and reasons for the same;
     (c) major accounting entries involving estimates based on the exercise of judgment by management;
     (d) significant adjustments made in the financial statements arising out of audit findings;
     (e) compliance with listing and other legal requirements relating to financial statements;
     (f) disclosure of any related party transactions;
     (g) modified opinion(s) in the draft audit report;
  4. Review: (a) adequacy of internal control systems (including internal financial controls) and risk management systems; (b) the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit; (c) reports and significant findings, if any, of the Internal and Statutory Auditor and to ensure that suitable follow-up action is taken; (d) findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board; (e) and monitor the auditor's independence and performance, and effectiveness of audit process; (f) with the management, performance of statutory and internal auditors, adequacy of the internal control systems; (g) financial statements of subsidiary companies, joint venture and associate companies; (h) substantial defaults in payments to stakeholders and creditors;(i) functioning of the Vigil mechanism;
  5. Discussion with Statutory Auditors and Internal Auditors about nature and scope of audit and areas of concern; and discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern;
  6. Examination of disclosure aspects of related party transactions and approval or any subsequent modification of transactions of the Company with related parties;
  7. Other functions like Scrutiny of inter-corporate loans and investments; valuation of undertakings or assets wherever necessary; Monitoring the end use of funds raised through public offers and related matters;

8. Approval of appointment of Chief Financial Officer;

9. Any other functions as may be statutorily required.

NOMINATION AND REMUNERATION COMMITTEE

- During the year under review, two Committee meetings were held on May 30, 2022 and August 12, 2022.

- The Composition of the said Committee as on March 31, 2023 and the attendance of the Committee members in its meeting held during the financial year under review is as follows:

Name of the Director	Designation	Meetings attended
Mr. Vinayak Hajare	Chairman	2
Mr. Sanjay Buch	Member	2
Dr. Gopakumar Nair	Member	2

The composition of the Nomination and Remuneration Committee complies with the requirements laid down in Regulation 19 of the Listing Regulations. The Company Secretary acts as Secretary to the Committee.

- **Terms of reference:**

The terms of reference include:

1. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board, their appointment and removal.

2. Carry out evaluation of every director's performance.

3. Devising a policy on diversity of Board of Directors.

4. Formulate the criteria for determining qualifications, positive attributes and independence of a director.

5. Recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel (KMP), Senior Management Personnel and other employees.

6. Recommend whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

7. Any other terms of reference, role, responsibility and powers as may be prescribed from time to time (i) under the Companies Act, 2013 and rules made thereunder and the Listing Regulations; and/or (ii) by the Board of Directors of the Company.

- **Nomination and Remuneration policy and performance evaluation of Board and individual Directors:**

As per the Nomination and Remuneration policy of the Company ('Remuneration Policy'), the Director(s), KMP, Senior management personnel in addition to the criteria mentioned in the Act and Listing Regulations, should, *inter alia*, possess (a) relevant qualification, experience and expertise; (b) strong analytical and excellent communication skills; (c) collaborative and flexible style, with a high level of professionalism; and (d) leadership skills.

Performance evaluation criteria for independent directors is as mentioned in Remuneration Policy which is available to Company's website at https://fermentabiotech.com/policies.php

ANNUAL PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to provisions of the Act, Listing Regulations and Remuneration Policy, the Directors of the Company carried out annual performance evaluation of the Board as a whole, Committees of the Board and Individual Directors (excluding the Director being evaluated).

A meeting of Independent Directors of the Company was held to: (a) review the performance of Chairperson, Non Independent Directors and the Board as a whole; (b) assess the quality, quantity and timeliness of flow of information between the Company management and the Board.

The evaluation was done through a structured process and forms, covering various aspects such as composition of Board, professional knowledge and expertise, performance of individual roles and duties including contribution in Board / Committee meetings, protection of interest of all stakeholders etc.

DETAILS OF REMUNERATION OF DIRECTORS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 ARE AS FOLLOWS:

Name of Director	Sitting Fees * (₹)	Salary (₹)	Contribution to PF and other funds (₹)	Benefits & Perquisites (₹)	Total (₹)	No. of shares held (FV of ₹5)
Nature	Fixed (per meeting)	Fixed	Fixed	Variable	-	-
Mr. Sanjay Buch Independent Director	8,20,000	-	-	-	8,20,000	NIL
Ms. Rajeshwari Datla Non-Executive Director	7,50,000	-	-	-	7,50,000	5,95,818
Mr. Vinayak Hajare Independent Director	8,20,000	-	-	-	8,20,000	NIL
Mr. Krishna Datla ** Executive Vice-Chairman +	-	19,754,000/-	PF: 1,713,600/- Gratuity: 686,538/-	1,292,817/-	23,446,955/-	24,61,074
Mr. Satish Varma*** Executive Director +	-	13,395,000/-	PF: 1,317,600/- Gratuity: 527,885/-	1,582,074/-	16,822,559/-	23,160
Dr. Gopakumar Nair Independent Director	7,80,000	-	-	-	7,80,000	6,000
Ms. Anupama Datla Desai*** Executive Director +	-	9,820,000/-	PF: 1,008,000/- Gratuity: 403,846/-	878,019/-	12,109,865/-	5,13,792
Ms. Rajashri Ojha Independent Director	5,00,000	-	-	-	5,00,000	NIL
Mr. Prashant Nagre**** Managing Director +	-	15,953,134/-	PF: 741,048/- Gratuity: 296,894/-	780,432/-	17,771,508/-	NIL
Mr. Pramod Kasat Independent Director	4,00,000	-		-	4,00,000	3000
TOTAL	**40,70,000**	**5,89,22,134**	**66,95,411**	**45,33,342**	**7,42,20,887**	**36,02,844**

Note: The above remuneration does not include Commission payable to Managing Director, Executive Directors & Executive Vice Chairman for the F.Y 2022-23.

** Sitting Fees include fees for –*

Board, Audit Committee and other Committee Meetings @ ₹1,00,000; ₹50,000 and ₹10,000 per meeting respectively.

*** The agreement between the Company and the Executive Vice-Chairman is for a period of three years effective May 9, 2021 with a loss of office provision. Either party is entitled to terminate the said agreement by giving not less than three months' notice in writing to the other party or such other period as may be mutually decided.*

**** The agreement between the Company and the Executive Directors is for a period of three years effective September 27, 2022 with a loss of office provision. Either party is entitled to terminate the said agreement by giving not less than three months' notice in writing to the other party or such other period as may be mutually decided.*

***** The agreement between the Company and the Managing Director is for a period of three years effective May 9, 2021 with a loss of office provision. Either party is entitled to terminate the said agreement by giving not less than three months' notice in writing to the other party or such other period as may be mutually decided.*

+ The remuneration details include the benefits and perquisites paid to the Managing Director, Executive Directors and Executive Vice-Chairman for FY 2022-23.

The Company has not granted any Stock Option to any Director. 2,17,410 Stock Options were granted to Mr. Prashant Nagre in financial year 2019-20 when he was Chief Executive Officer of the Company which would vest and be exercisable in tranches after a period of 3, 4 and 5 years from the date of grant. ESOP related disclosure is available at Company's website under https://fermentabiotech.com/investor_relations.php

There has been no materially relevant pecuniary transaction or relationship between the Company and its Non-Executive / Independent Directors during the year under review, except as stated above.

The Non-Executive Directors receive sitting fees for attending the meetings of Board of Directors and its Committees. Criteria of making payments to non-executive directors is as mentioned in Remuneration Policy which is available to Company's website at https://fermentabiotech.com/policies.php

STAKEHOLDERS RELATIONSHIP COMMITTEE

- During the year under review, four Stakeholders Relationship Committee meetings were held on May 30, 2022, August 12, 2022, November 11, 2022 and February 10, 2023. The composition of the Committee as on March 31, 2023 and the attendance at the said Committee meeting is as follows:

Name of the Director	Designation	Meetings attended
Mr. Sanjay Buch	Chairman	4
Mr. Vinayak Hajare	Member	4
Mr. Krishna Datla	Member	4
Mr. Satish Varma	Member	4

The composition of the Nomination and Remuneration Committee complies with the requirements laid down in Regulation 19 of the Listing Regulations. The Company Secretary acts as Secretary to the Committee.

The composition of the Stakeholders Relationship Committee complies with the requirements laid down in Regulation 20 of the Listing Regulations. The Company Secretary acts as a Secretary to Stakeholders Relationship Committee.

- **Terms of Reference:**

The Committee, inter alia, deals in matters relating to:

1. Redressal of Members' grievances.
2. Issue of duplicate Share Certificates.
3. Review of Dematerialized shares.
4. Transfer and Transmission of shares.
5. Non-receipt of Annual Reports and declared dividends.
6. Other matters related to shares and/or investor grievances.
7. Any other matter as may be statutorily required including under Schedule II Part D of Listing Regulations.

SHAREHOLDER INFORMATION

- **Name and designation of Compliance Officer:**

Mr. Srikant Sharma - Company Secretary and Vice-President (Legal)

Investor Helpdesk:

Mr. Srikant Sharma
Fermenta Biotech Limited, A -1501, Thane One,
DIL Complex, Ghodbunder Road, Majiwade,
Thane (West) – 400 610, Maharashtra, India
Tel No.022-67980800 Fax:-022-67980899
e-mail: srikant.sharma@fermentabiotech.com

Investor Complaints and their redressal

- number of shareholders' complaints received during the financial year: NIL
- number of complaints not solved to the satisfaction of shareholders: NIL
- number of pending complaints as on March 31, 2023 were NIL.

RISK MANAGEMENT COMMITTEE:

During the year under review, three Risk Management Committee meetings were held on August 12, 2022, November 11, 2022 and February 30, 2023 and the attendance at the said Committee meeting is as follows:

Name of the Director	Designation	Meetings attended
Mr. Vinayak Hajare	Chairman	3
Dr. Gopakumar Nair	Member	3
Mr. Satish Varma	Member	3
Mr. Prashant Nagre	Member	3

The composition of the Risk Management Committee complies with the requirements laid down in Regulation 21 of the Listing Regulations. The Company Secretary acts as a Secretary to Risk Management Committee.

- **Terms of Reference:**

The Committee, inter alia, deals in matters relating to:

1. RMC shall meet at least twice in a year.
2. The quorum for a meeting of the RMC shall be either two members or one third of the members of the committee, whichever is higher, including at least one member of the Board of directors in attendance.
3. The meetings of RMC shall be conducted in such a manner that on a continuous basis not more than one hundred and eighty days shall elapse between any two consecutive meetings.

4. RMC shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
5. RMC shall formulate a detailed Risk Management Policy which shall include:
   (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
   (c) Business continuity plan.
6. RMC shall ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
7. RMC shall monitor and oversee implementation of the Policy, including evaluating the adequacy of risk management systems.
8. RMC shall periodically review the Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
9. RMC shall keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.
10. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by RMC.
11. RMC shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of directors.
12. RMC shall fulfil such responsibilities as may be entrusted to it by the Board from time to time.

No sitting fees is paid to the RMC members for attending RMC meetings.

GENERAL BODY MEETINGS

a) Details of the last three Annual General Meetings of the Company and Special Resolution(s) passed are as follows:

Year	Date and Time	Venue	Special Resolution(s) passed
FY 2019-20	October 17, 2020 at 2:00 p.m.	Meeting held through Video conferencing/ Other Audio Visual Means	1) Appointment of Ms. Rajashri Ojha, as an Independent Director of the Company for a period of five years effective from April 1, 2020; 2) Appointment of Ms. Anupama Datla Desai, as an Executive Director of the Company for a period of three years effective from September 27, 2019; 3) Appointment of Mr. Satish Varma, as an Executive Director of the Company for a period of three years effective from September 27, 2019; 4) Commission to Non-Executive Directors
FY 2020-21	September 03, 2021 at 11:30 a.m.	Meeting held through Video conferencing/ Other Audio Visual Means	1) To appoint Mr. Krishna Datla as a Whole-time Director of the Company, designated as Executive Vice-Chairman, for a period of 3 years w.e.f. May 9, 2021; 2) To appoint Mr. Prashant Nagre as Managing Director of the Company for a period of 3 years w.e.f. May 9, 2021; 3) Commission to Non-Executive Directors.
FY 2021-22	August 12, 2022 at 4.00 p.m.	Meeting held through Video conferencing/ Other Audio Visual Means	1) To appoint Mr. Pramod Kasat as an Independent Director w.e.f. August 12, 2022; 2) To re- appoint Mr. Satish Varma as an Executive Director of the Company for a period of 3 years w.e.f. September 27, 2022; 3) To re- appoint Ms. Anupama Datla Desai as an Executive Director of the Company for a period of 3 years w.e.f. September 27, 2022.

b) Whether any special resolution passed last year (FY 2021-22) through postal ballot – details of voting pattern: Yes:

Sr. No.	Description of Securities	Votes in favour of the resolution		Votes against the resolution	
		Number of valid votes cast (Shares)	Percentage of total number of valid votes cast	Number of valid votes cast (Shares)	Percentage of total number of valid votes cast
1	To increase the limits to sell, lease or otherwise dispose of the assets and to secure the borrowings of the Company (Special Resolution)	21751517	97.6798%	516673	2.3202%
2	To sell, lease or otherwise dispose of the portion of Company's Land situated at Thane. (Special Resolution)	21751509	97.6797%	516681	2.3202%

c) Person who conducted the postal ballot exercise – Mr. V. N. Deodhar, Practising Company Secretary (FCS –1880)

d) Whether any special resolution is proposed to be conducted through postal ballot – Yes, two Special resolutions passed by postal ballot for the year under review.

e) Procedure for postal ballot – Procedure stipulated under Companies Act, 2013 and Listing Regulations shall be applicable for postal ballot activity undertaken by the Company.

COMPANY POLICIES

Vigil Mechanism Policy

The Company has adopted a Whistle Blower Policy as part of Vigil Mechanism for Directors and employees to report instances of unethical acts, actual or suspected fraud or violation of Company's Code or other similar genuine concerns or grievances. The Vigil Mechanism Policy is displayed on the Company's website at https://fermentabiotech.com/policies.php. The Board affirms that no personnel has been denied access to the chairperson / members of audit committee.

Policy on Dealing with Related Party Transactions ('RPT Policy')

The RPT Policy of the Company lays down the process to be adopted by the Company for: (a) identification of potential Related Party/ies; (b) materiality thresholds for RPT(s); (c) manner of dealing with and approving the transactions between the Company and its related parties. The RPT Policy also lays down the disclosure requirements of related party transactions, if any and the criteria for determining ordinary course of business and arm's length transactions.

During the period under review, there was amendment in the definition of Material Modification in the RPT Policy of the Company.

The RPT Policy can be viewed at the Company's website at https://fermentabiotech.com/policies.php

During the year under review, there were no materially significant related party transactions entered by the Company with Promoters, Directors or Key Managerial Personnel or their relatives which may have a potential conflict with the interest of the Company at large. Except as otherwise provided in this Annual report, none of the Directors has any pecuniary relationships or transactions with the Company.

Policy for Determining Material Subsidiary

The Company has adopted a policy for determining material subsidiary as required by the Listing Regulations. The objective of this policy is to lay down criteria for identification and dealing with material subsidiaries and to formulate a governance framework for subsidiaries of the Company. The policy is uploaded on the website of the Company and can be viewed at https://fermentabiotech.com/policies.php

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has adopted 'Familiarization Programme' for Independent Directors to ensure that the Independent Directors are familiarized with the Company's business operations, strategies, business model, nature of industry in which Company operates and role, duties and responsibilities of an Independent Director of the Company. The details of Familiarisation Programme are available at https://fermentabiotech.com/policies.php

Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is provided in the Board's Report.

The Company has adopted various policies which are available at https://fermentabiotech.com/policies.php

DISCLOSURES

- During the year under review, the risk management reports were placed before the Audit Committee and Board of Directors for review.
- Pursuant to sub regulation 8 of Regulation 17 read with Part B of Schedule II of the Listing Regulations, the Managing Director and the Chief Financial Officer have submitted a certificate to the Board of Directors for the financial year ended March 31, 2023. The Certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors.
- **Reconciliation of Share Capital Audit**
  Share Capital Audit for the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital of the Company has been done by a Practising Company Secretary on a quarterly basis and the Reconciliation of Share Capital Audit Reports were issued thereon during the year under review. The audit confirms that the total issued / paid – up capital agrees with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.
- **Compliance with Mandatory Requirements**
  The Company has complied with all the mandatory requirements, as applicable in terms of Schedule V of the Listing Regulations.
- **Compliance with Discretionary Requirements as per Part E of Schedule II of the Listing Regulations**
  The Company has adopted Discretionary requirements as provided in Part E (E) of Schedule II of the Listing Regulations i.e. the internal auditor reports directly to the audit committee. A, B, C and D of the Discretionary requirements as provided in Part E of Schedule II of the Listing Regulations have not been adopted.

MEANS OF COMMUNICATION

- The Quarterly, Half Yearly and Annual results, published in the proforma prescribed under the Listing Regulations, are approved by the Audit Committee and taken on record by the Board of Directors of the Company within the prescribed time limit. The approved results are forthwith sent to BSE Limited in prescribed format where the Company's shares are listed.

• Newspapers wherein quarterly results are published:	Business Standard (English), Sakal (Marathi) / Navakal (Marathi)
• Any website, where displayed:	Yes, BSE website (www.bseindia.com) and the Company's website (www.fermentabiotech.com)
• Online filing with BSE Corporate Compliance & Listing Centre:	All periodical compliances of the Company as per Listing Regulations are also being filed online with the BSE Listing Centre.
• SEBI Complaints Redress System (SCORES) :	The investor complaints, if any, can be uploaded on the SCORES. These complaints are processed in a centralized web-based complaints redress system of SEBI (SCORES). The salient features of this system is centralised database of all complaints, online upload of Action Taken Reports (ATRs) and online viewing by investors of actions taken on the complaint and its current status.
• Whether it also displays official news releases and presentations made to institutional investors or to analysts:	Yes
• Management discussion and analysis report (MD&A) is a part of the Annual report or not:	MD&A Report forms part of the Annual Report.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting	Friday, September 29, 2023 through Video Conferencing or Other Audio-Visual Means, without the physical presence of the members at a common venue. The venue of the AGM shall be deemed to be A-1501, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (West) - 400 610, Maharashtra.
• Financial Year	April 1 to March 31
Financial reporting for the quarter ending June 30, 2023	By August 14, 2023
Financial reporting for the quarter ending September 30, 2023	By November 14, 2023
Financial reporting for the quarter ending December 31, 2023	By February 14, 2024
Financial reporting for the year ending March 31, 2024 (Audited)	By May 30, 2024
• Dividend Payment Date	On or before Tuesday, October 10, 2023
• Listing on Stock Exchanges	BSE Limited (Listing fees for the year 2023-24 have been paid) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Tel: +91 22 22721233/34 Fax: +91 22 22721919
• Stock/ Scrip Code on BSE Limited	506414

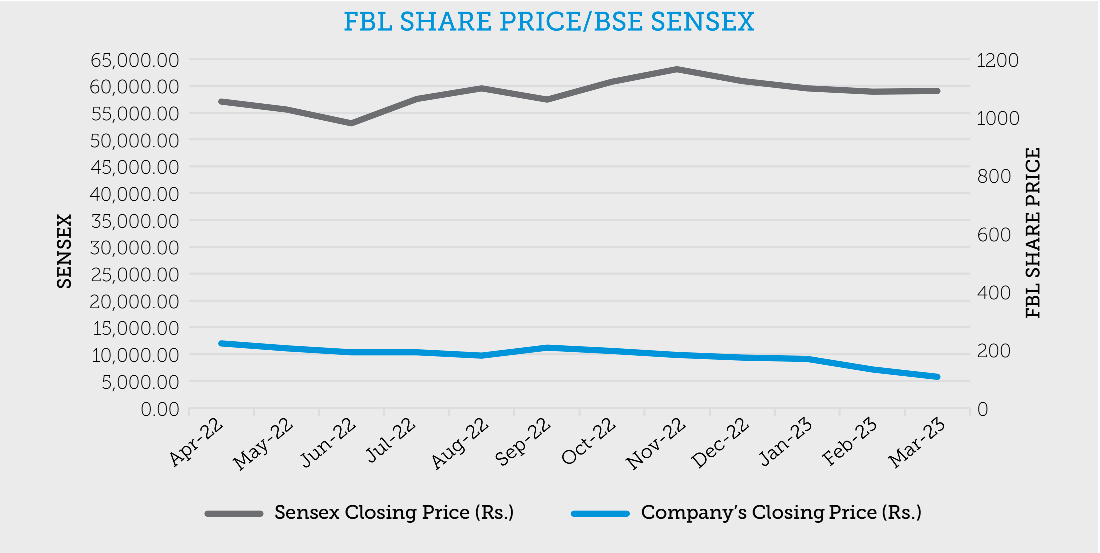
- **Market Price Data:**

High / low of the Company's Stock Price during each month in the financial year ended March 31, 2023

Month	**Fermenta Biotech Limited**	
	High (₹)	**Low (₹)**
April 2022	255	205
May 2022	224.95	190.15
June 2022	221.8	185.1
July 2022	198.9	184
August 2022	199.8	176
September 2022	280	177.1
October 2022	216	192
November 2022	201.05	173.8
December 2022	191.9	171
January 2023	178.5	166.15
February 2023	178.7	127.1
March 2023	146	103.3

- **Performance in comparison to broad-based indices such as BSE Sensex.**

Month	Company's Closing Price (₹)	Sensex Closing Price (₹)	No. of shares of the Company traded
April 2022	221.8	57,060.87	3,33,518
May 2022	204.35	55,566.41	1,48,694
June 2022	191.3	53,018.94	83,684
July 2022	191.05	57,570.25	1,28,717
August 2022	180.35	59,537.07	3,09,411
September 2022	207.15	57,426.92	8,73,363
October 2022	195.65	60,746.59	1,16,042
November 2022	183.1	63,099.65	3,07,079
December 2022	173.7	60,840.74	2,14,420
January 2023	168.15	59,549.90	1,12,514
February 2023	131.45	58,962.12	2,10,083
March 2023	106.95	58,991.52	4,57,156



Registrar and Transfer Agents

Link Intime India Private Limited
C 101, 247 Park, L B S Marg, Vikhroli West,
Mumbai 400 083
Maharashtra, India
Tel No.: +91 22 49186000
Fax No: +91 22 49186060
Email : rnt.helpdesk@linkintime.co.in

- **Share Transfer System:**

To enhance ease of dealing in securities markets by investors, SEBI vide circular number SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has decided that listed companies shall henceforth issue the securities in dematerialized form only (vide Gazette Notification no. SEBI/LADNRO/GN/2022/66 dated January 24, 2022) while processing the service request for Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Renewal / Exchange of securities certificate, Endorsement, Sub-division / Splitting of securities certificate, Consolidation of securities certificates/folios, Transmission, Transposition and other shareholders' requests ("Shareholders' requests"). The Shareholders' requests are processed by the Registrar and Share Transfer Agents, and approved by the Stakeholders Relationship Committee. Shareholders' requests are processed within a stipulated time from the date of receipt, provided the documentation is in order. In order to expedite the Shareholders' requests, the Board of Directors has delegated the powers to Mr. Sanjay Buch, Chairman of the Stakeholders Relationship Committee and/ or Mr. Vinayak Hajare, Member of the Stakeholders Relationship Committee and/or Mr. Srikant Sharma, Company Secretary, who attends and resolves Shareholders' requests within the stipulated time. The meeting of Stakeholders Relationship Committee is also held once in every three months.

- **Distribution of the Company's equity shareholding as on March 31, 2023:**

Sr. No.	Range in no. of Shares	Holding (no. of shares)	Amount (₹)	% to Total Amount	No. of Holders	% to Total Holders
1	1 - 500	1451693	72,58,465	4.93	14745	85.1426
2	501 - 1000	1077756	53,88,780	3.66	1439	8.3093
3	1001 - 2000	951803	47,59,015	3.23	655	3.7822
4	2001 - 3000	429628	21,48,140	1.46	168	0.9701
5	3001 - 4000	283862	14,19,310	0.96	80	0.4619
6	4001 - 5000	209091	10,45,455	0.71	45	0.2598
7	5001 -10000	657701	32,88,505	2.23	90	0.5197
8	10001 and above	24369453	12,18,47,265	82.80	96	0.5543
	Total	**2,94,30,987**	**14,71,54,935**	**100**	**17,318**	**100**

- **Equity Shareholding Pattern as on March 31, 2023**

	Shareholding (no. of shares)	% of holding
Corporate Bodies (Promoter Co)	150,75,318	51.2226
Clearing Members	8,912	0.0303
Other Bodies Corporate	5,40,658	1.837
Hindu Undivided Family	2,24,480	0.7627
Mutual Funds	98	0.0003
Nationalised Banks	120	0.0004
Non Resident Indians	79,121	0.2688
Non Resident (Non Repatriable)	2,85,550	0.9702
Public	100,03,019	33.9881
Promoters	24,61,074	8.3622
Trusts	370	0.0013
Employee Welfare Trust / ESOP Trust	5,73,684	1.9493
Body Corporate - Limited Liability Partnership	24,832	0.0844
Investor Education and Protection Fund	1,53,751	0.5224
Total	**2,94,30,987**	**100**

- **Dematerialisation of Shares and liquidity:** The Company and Link Intime India Private Limited, has signed Tripartite Agreements with the National Securities Depository Ltd. and the Central Depository Services (India) Ltd. respectively. The shares of the Company are compulsorily traded in the dematerialised form in the Stock Exchange. Presently 98.99% of the equity shares of the Company have been dematerialized. The Company's Equity Shares are liquid and actively traded on the stock exchange.

- **Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity –** Not applicable

- **Commodity price risk or foreign exchange risk and hedging activities:** The Company does not have any significant exposure on commodities directly. Currency risks arises mainly where receivable, payables and borrowings exist due to foreign currency transactions. Around 49% of the Company's income is by way of exports and it enjoys natural hedge to a large extent. The exposure to currency risk is explained in detail in the notes to the financial statements.

- **Plant locations: Factory**

1. Village Takoli, P.O. Nagwain,
   Dist. Mandi - 175 121, Himachal Pradesh, India.
2. Z - 109 B & C, SEZ II, Dahej, Taluka - Vagara,
   Dist: Bharuch - 392130, Gujarat, India.
3. FRK Plant,
   Sy. No. 3/A, Pennepalli (V), Pellakuru Mandal, Tirupati Dist.: 524126, Andhra Pradesh.

- **Address for Correspondence :**

Link Intime India Private Limited C 101, 247 Park L B S Marg, Vikhroli West, Mumbai – 400 083. Maharashtra, India Tel No.: +91 22 49186000 Fax No.: +91 22 49186060 Email : rnt.helpdesk@linkintime.co.in	Fermenta Biotech Limited A -1501, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (West) – 400 610, Maharashtra, India. ISIN: INE225B01021 Tel No.: + 91 22 66230800 Fax No.: + 91 22 6798 0899 Email: srikant.sharma@fermentabiotech.com

- **List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad. –** Not applicable

- **Details of non-compliance by the Company and penalties or strictures were imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority, on any matter related to the capital markets during the last three years:-**

Years	Details
2020-21	Nil
2021-22	Nil
2022-23	Nil

- Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). – Not applicable
- Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: ₹49.11 Lakhs
- A certificate regarding debarring or disqualification of directors is attached as Annexure V to the Board's Report.
- Where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof - Nil
- During the year under review, there were no instances of Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Part C of Schedule V to the Listing Regulations.
- During the year under review, the Company is in compliance of Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.
- Compliance certificate regarding the compliance with corporate governance requirements is enclosed to this Corporate Governance Report.

For and on behalf of the Board of Directors

Sanjay Buch
Chairman
(DIN: 00391436)

Date: August 11, 2023
Place: Thane

Registered Office:
A -1501, Thane One, DIL Complex,
Ghodbunder Road, Majiwada,
Thane (West) – 400 610
Maharashtra, India.

Corporate Governance Compliance Certificate

for the Financial Year ended 31st March, 2023

UDIN: F005769E000783227

To
The Members of
Fermenta Biotech Limited

We have examined the compliance of conditions of Corporate Governance by Fermenta Biotech Limited (the Company) for the year ended 31st March 2023, as stipulated in regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Managements' Responsibility:

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditors' Responsibility:

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Opinion:

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of SEBI Listing Regulations during the year ended 31st March, 2023.

We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For Pradeep Purwar & Associates
Company Secretaries
[Unique Identification No.: S2003MH071600]
[PR: 599/2019]

Pradeep Kumar Purwar
Proprietor
FCS No. 5769
CoP No. 5918

Date: August 11, 2023
Place: Thane

Annexure IV

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

UDIN: F005769E000406334

To,
The Members,
Fermenta Biotech Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Fermenta Biotech Limited [hereinafter called 'the Company']. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws:

(a) Drugs and Cosmetics Act, 1940

(b) The Environment (Protection) Act, 1986

(c) The Water (Prevention and Control of Pollution) Act, 1974

(d) The Air (Prevention and Control of Pollution) Act, 1981

(e) Hazardous Wastes (Management and Handling) Rules, 1989

(f) Fatal Accidents Act, 1955

We have been informed that the compliance of the above laws is monitored on monthly basis by the Compliance officer and necessary action is initiated for non-compliance, if any. Additionally, we have been informed that a status report signed by the Company Secretary and the Chief Financial Officer on compliance of various statues is submitted to the Board at its every meeting.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India; and

(ii) The Listing Agreements entered into by the Company with BSE Limited.

Provisions of the following Act, Regulations and Guidelines were not attracted to the Company for the financial year under review: -

(i) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(ii) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

(iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

(iv) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned above, to the extent applicable.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is generally given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and there were no dissenting members' views which were required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Pradeep Purwar & Associates
Company Secretaries
[Unique Identification No.: S2003MH071600]
[PR: 599/2019]

Pradeep Kumar Purwar
Proprietor
FCS No. 5769
CoP No. 5918

Date: 29th May 2023
Place: Thane

Annexure V

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

UDIN: F005769E000783205

To
The Members of
Fermenta Biotech Limited
A -1501, Thane One,
DIL Complex, Ghodbunder Road,
Majiwade, Thane (West) - 400 610

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Fermenta Biotech Limited having CIN L99999MH1951PLC008485 and having registered office at A -1501, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (West) - 400 610 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of Appointment in the Company
1	Krishna Datla Vasantkumar	00003247	09/05/2010
2	Satish Varma Azad Nadimpally	00003255	01/07/2003
3	Vinayak Manohar Hajare	00004635	18/06/2009
4	Rajeshwari Datla	00046864	21/07/2005
5	Gopakumar Gopalan Nair	00092637	17/05/2019
6	Anupama Datla Desai	00217027	27/09/2019
7	Sanjay Buch Ramakant	00391436	28/04/2007
8	Pramod Kasat	00819790	30/05/2022
9	Rajashri Santosh Kumar Ojha	07058128	01/04/2020
10	Prashant Prabhakar Nagre	09165447	06/05/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Pradeep Purwar & Associates
Company Secretaries
[Unique Identification No.: S2003MH071600]
[PR: 599/2019]

Pradeep Kumar Purwar
Proprietor
FCS No. 5769
CoP No. 5918

Date: August 11, 2023
Place: Thane

Annexure VI

Energy conservation, technology absorption and foreign exchange earnings and outgo

A. Conservation of energy –

(i) the steps taken or impact on conservation of energy:

a. Installed energy-efficient components.

b. Replaced high-pressure sodium vapour lamps with energy-saving lights i.e LEDs.

c. Installation of systems that have reduced resultant air pollution.

(ii) the steps taken by the Company for utilising alternate sources of energy:

a. Infrastructure installed for reducing electricity consumption.

b. Potential diversification of our energy portfolio by evaluating renewable energies.

(iii) the capital investment on energy conservation equipments:

Brine systems separated as per temperature to reduce electricity consumption.

B. Technology absorption –

(i) the efforts made towards technology absorption: NIL

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution: Not Applicable

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -

(a) the details of technology imported: NIL

(b) the year of import: Not Applicable

(c) whether the technology been fully absorbed: Not Applicable

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable.

(iv) The expenditure incurred on Research and Development –

Capital: ₹14.14 Lakhs

Recurring: ₹1,338.60 Lakhs

Total expenditure: ₹1,352.74 Lakhs

C. Foreign exchange earnings and outgo:

Total Foreign exchange used and earned in 2022-23:

Foreign exchange earned: ₹15,974.54 Lakhs

Foreign exchange used: ₹6,081.09 Lakhs

Annexure VII

Annual Report on Corporate Social Responsibility (CSR) Activities

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. **Brief outline on CSR Policy of the Company:**

Continuing with the legacy of practicing CSR activities of our founder members, the Company has been committed to the cause of CSR for many years. Over the years, CSR activities of the Company have diversified and expanded into new communities and in turn benefitted more and more stakeholders. Today, our Company firmly believes that corporate citizens have a vital role to play in empowering and enriching the communities and its stakeholders.

The CSR Policy of the Company is available on Company's website at https://fermentabiotech.com/policies.php

Brief of CSR activities: Contribution towards betterment of blind and differently abled persons, heart surgeries, promoting animal welfare, protecting art and culture, promoting education and contribution towards health care and covid preparedness.

2. **Composition of the CSR Committee:**

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Sanjay Buch	Independent Director, Chairman	1	1
2	Mr. Vinayak Hajare	Independent Director, Member	1	1
3	Mr. Satish Varma	Independent Director, Member	1	1
4	Mr. Krishna Datla	Executive Vice Chairman, Member	1	1
5	Dr. Gopakumar Nair	Independent Director, Member	1	1

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:**

CSR committee - https://fermentabiotech.com/about-us.php#board_members

CSR Policy - https://www.fermentabiotech.com/policies.php

CSR projects - https://www.fermentabiotech.com/policies.php

4. **Provide the executive summary along with web-links of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) –** Not Applicable

5. a) Average net profit of the Company as per sub-section (5) of section 135: ₹5635.12 lakhs (FY 2021-22, FY 2020-21, and FY 2019-20)

b) Two percent of average net profit of the Company as per section sub-section (5) of section 135: ₹112.70 Lakhs for FY 2022-23. [i.e., 2% of ₹5635.12 lakhs (FY 2021-22, FY 2020-21, and FY 2019-20)]

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(d) Amount required to be set off for the financial year, if any: ₹3 Lakhs

e) Total CSR obligation for the financial year (b+c-d): ₹109.7 lakhs

6 a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):

Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(1)	(2)	(3)	(4)		(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project		Project Duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementa tion - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
			State	District							Name	CSR Registration Number
-	-	-	-	-	-	-	-	-	-	-	-	-

Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent in the current financial Year (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of implementation - Through implementing Agency	
				State	District			Name	CSR Registration Number
1	National Association of Blind	Promoting health care including preventive health care	Yes	Maharashtra	Mumbai	20,00,165	Yes	N.A.	N.A.
3	Paraplegic Rehabilitation Centre	Contribution for the benefit of armed forces veterans	No	Maharashtra	Pune	3,14,025	Yes	N.A.	N.A.
4	Sanjay Gandhi National Park	Contribution towards animal protection/ welfare	Yes	Maharashtra	Mumbai	42,44,514	Yes	N.A.	N.A.
5	Wildlife Rahabilitaion center	Contribution towards animal protection/ welfare	Yes	Maharashtra	Mumbai	9,45,399	Yes	N.A.	N.A.
6	Support to Maharashtra Police	Social welfare and Covid care support	Yes	Gujarat and Maharashtra	Bharuch, Thane and Raigad	6,76,201	Yes	N.A.	N.A.
7	Wadia Hospital	Promoting health care	Yes	Maharashtra	Mumbai	3,96,239	Yes	N.A.	N.A.

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent in the current financial Year (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of implementation - Through implementing Agency	
				State	District			Name	CSR Registration Number
11	Donation to Karjat School	Promoting education	Yes	Maharashtra	Raigad	3,91,933	Yes	N.A.	N.A.
12	Donation to Health Department in Kullu	Promoting health care	Yes	Himachal Pradesh	Mandi	4,03, 077	Yes	N.A.	N.A.
13	Thane Orphanage	Renovation of Orphanage home	Yes	Maharashtra	Thane	1,21,422	Yes	N.A.	N.A.
14	Anukram Foundation	Promotion of Education	Yes	Maharashtra	Mumbai	6,17,273	Yes	N.A.	N.A.
15	Kullu School Tournament	Promoting Rural Sports	Yes	Himachal Pradesh	Mandi	25,000	Yes	N.A.	N.A.
16	Street Light - Takali Panchayat	Rural Development	Yes	Himachal Pradesh	Kullu	2,61,400	Yes	N.A.	N.A.
17	Civil work for tractor road Village Bham	Rural Development	Yes	Himachal Pradesh	Mandi	4,02,060	Yes	N.A.	N.A.
	TOTAL (a)					107,98,708			

b) **Amount spent in Administrative Overheads:** ₹5.65 Lakhs

c) **Amount spent on Impact Assessment, if applicable:** NIL

d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** ₹113.63 Lakhs*

e) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹113.63 Lakhs*	NIL	N.A.	N.A.	NIL	N.A.

**The carry forward amount from FY 2021-22 i.e., ₹3 lakhs when added to the total amount spent for the FY 2022-23 of ₹113.63 lakhs, will aggregate to ₹116.63 lakhs.*

f) Excess amount for set off, if any

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	112.70 lakhs
(ii)	Total amount spent for the Financial Year	116.63 lakhs**
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3.93 lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	3.93 lakhs

*** The amount spent for the FY 2023 of ₹116.63 lakhs includes a carry forward amount of ₹3 lakhs from the previous year.*

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any		Amount remaining to be spent in succeeding financial years. (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
NIL								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes

If Yes, enter the number of Capital assets created/ acquired:10

Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset (in ₹)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
06.04.2022	3,14,025	Paraplegic Rehabilitation Centre, Khadki, Pune-411020	Equipment and furniture for day-to-day operations and use at Paraplegic Rehabilitation Centre, Park Road, Kirkee, Pune 411 020
31.03.2023	42,44,514	Sanjay Gandhi National Park, Borivali, Mumbai-400066	Construction of gates, signage furnitures, computers and equipments at Sanjay Gandhi National Park, Borivali, Mumbai 400 066
06.03.2023	261, 400	Takali Gram Panchayat, Himachal Pradesh.	Installation of Equipment for conservation of energy at Takali panchayat
15.08.2022	4,02,060	Gram Panchayat, village Bham, Himachal Pradesh	Construction of roads at village Bham, Himachal Pradesh
12.07.2022	3,96,239	Bai Jerbai Wadia Hospital for Children, Acharya Donde Marg, Parel, Mumbai - 400012	Equipment, material and pumps at children prosthetics & orthotics clinic at Wadia Hospital, Acharya Donde Marg, Parel, Mumbai - 400012, Opposite Kem Hospital
01.03.2023	4,03,077	Gram Panchayat Nagvai Health Department in Kullu, Himachal Pradesh	Construction of approach road to public centre under Takali Panchayat.

Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset (in ₹)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
04.05.2022	121,422	Thane orphange at Divya Prabha, Room No. 130, Baithi Chawl, Shree Vinayak Co-op Housing Society Ltd., near Police Station, Pokharan Road. No. 1, Vartak Nagar, Thane (W)-400606.	Equipment Furniture and infrastructure at Thane Orphanage
31.03.2023	391,933	Vavarle Thakurwardi Primary School, Raigad, Maharashtra-416804	Construction of fence, gate and other infrastructure at Vavarle Thakurwardi Primary School, Raigad, Maharashtra-416804
28.02,2023	945,399	Range Forest Office, Mamalitdar office, Station Road, Thane-400099	Vehicle for Range Forest Office, Mamalitdar office station road, Thane- 400099
20.02.2023	676,201	Superintendent of Police Station, Raigad, Savroli Connector Joint Road, Near St Sand Kalapu tol, Khalalpur, District Raigad-410202	Computers, Two wheelers and Equipment to Superintendent of Police, Raigad, Savroli Connector Joint Road, Near St Sand Kalapu tol, khalalpur, Raigad -410202
TOTAL	**81,56,270**		

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): N.A.

For and on behalf of the Board of Directors

Prashant Nagre
Managing Director
(DIN: 09165447)

Sanjay Buch
Chairman CSR Committee
(DIN: 00391436)

Date: August 11, 2023
Place: Thane

Registered Office:
A -1501, Thane One, DIL Complex,
Ghodbunder Road, Majiwada,
Thane (West) – 400 610
Maharashtra, India.

Annexure VIII

Business Responsibility & Sustainability Reporting

Responsible business practices and sustainability lies at the core of work ethics and governance at Fermenta Biotech Limited ('Fermenta' / 'FBL'). As a responsible corporate citizen, we are dedicated to align ourselves with environmental, social and governance norms while doing business responsibly. National Guidelines for Responsible Business Conduct, issued by Ministry of Corporate Affairs serve as a guidance tool in this regard.

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L99999MH1951PLC008485
2	Name of the Listed Entity	Fermenta Biotech Limited
3	Year of incorporation	1951
4	Registered office address	A -1501, Thane One, DIL Complex, Ghodbunder Road Majiwade, Thane (West) 400 610, Maharashtra, India
5	Corporate address	Same as above
6	E-mail	info@fermentabiotech.com
7	Telephone	022-67980888
8	Website	www.fermentabiotech.com
9	Financial year for which reporting is being done	2022-23
10	Name of the Stock Exchange(s) where shares are listed:	BSE Limited
11	Paid-up Capital	₹14,71,54,935/-
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Mr. Srikant Sharma Designation: Company Secretary & Vice President (Legal) Email id: srikant.sharma@fermentabiotech.com Contact no: 022-67980888 Ext. 805
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Disclosures under this report are made on standalone basis.
14	Name of assurance provider	N.A.
15	Type of assurance obtained	N.A.

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Manufacturing of Active Pharmaceutical Ingredient, Aqua CHL, Biotechnology and Nutraceutical products	76% *

** Main business activity, although it is lesser than 90% of the turnover for year under review.*

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed *
1	Vitamin D3 Product range, Phenyramidol HCl and Silicon Dry Powder	21001	65%
2	Manufacture of other pharmaceutical and botanical products n.e.c.	21009	6%
3	Environmental Solutions	-	5%

** Break-up of main business activity mentioned under point 16.*

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	4	1	5
International	-	-	-

19. Markets served by the entity

a. Number of locations

Locations	Number
National (No. of States)	20+
International (No. of Countries)	60+ countries served across various continents

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The Company sells its products in India as well as exports to more than 60 countries across the globe. Its export turnover contributed to 49% of the total turnover of the Company in FY 2022-23.

c. A brief on types of customers:

(i) Vitamin D and other nutritional ingredients: Manufacturers of pharmaceuticals, dietary and nutritional supplements, food and beverage, veterinary, feed and rodenticides.

(ii) Integrated biotechnology (Enzymes): Manufacturers of oleochemicals, fine chemicals, active pharmaceutical ingredients, food and fragrances, leather, biodiesel.

(iii) Environmental Solutions (Waste water management and treatment): Real estate industry.

IV. Employees

20. Details as of the end of the Financial Year: March 31, 2023.

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	454	429	94.49%	25	5.50%
2.	Other than Permanent (E)	22	22	100%	0	0%
3.	**Total employees (D + E)**	**476**	**451**	**94.74%**	**25**	**5.25%**
WORKERS						
4.	Permanent (F)	96	95	98.96%	1	1.04%
5.	Other than Permanent (G)	216	212	98.14%	4	1.85%
6.	**Total Workers (F + G)**	**312**	**307**	**98.39%**	**5**	**1.60%**

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	2	1	50%	1	50%
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total employees (D + E)**	**2**	**1**	**50%**	**1**	**50%**
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	**Total differently abled Workers (F + G)**	**0**	**0**	**0**	**0**	**0**

21. Participation / Inclusion / Representation of Women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	3	30%
Key Management Personnel (KMPs)	6*	1 (ED)	16.67%

** includes four Executive Directors (ED) and other KMPs.*

22. Turnover rate for permanent employees and workers (trends for the past 3 years)

	FY 2022-23			FY 2021-22			2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	24.47%	32.26%	24.97%	20.07%	5.63%	19.03%	12.66%	14.71%	12.82%
Permanent Workers	0%	0%	0%	0%	0%	0%	0%	0%	0%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	DVK Investments Private Limited *	Holding Company	Nil	All Policies / practices of the Company are applicable to the subsidiaries to the extent statutorily required, in conformity with the applicable law.
2	Aegean Properties Limited *	Subsidiary Company	100	
3	G I Biotech Private Limited $	Subsidiary Company	100	
4	Fermenta Biotech GmbH	Subsidiary Company	100	
5	Fermenta Biotech (UK) Limited	Subsidiary Company	100	
6	Fermenta Biotech USA LLC	Subsidiary Company	10	
7	Fermenta USA LLC	Subsidiary Company	52	
8	Health and Wellness India Private Ltd.	Associate Company	47.15	

** Ceased to exist w.e.f. May 24, 2023 pursuant to effectiveness of Composite Scheme of Amalgamation and Arrangement amongst DVK Investments Private Limited (Transferor Company 1) and Aegean Properties Limited (Transferor Company 2) and Fermenta Biotech Limited (Transferee Company) and their respective Shareholders ("Scheme")*

$ Ceased to exist pursuant to the approval of the Registrar of Companies, Mumbai, for application made by the company to ROC, filed on February 14, 2023, for removing the name of the Company from the Register of Companies.

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of the Companies Act, 2013: Yes

(ii) Turnover (in ₹) : ₹38,796.06 Lakhs (Standalone, as per FY 2021-22)

(iii) Net worth (in ₹) : ₹39,597.19 Lakhs (Standalone, as per FY 2021-22)

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2022-23			FY 2021-22		
	(If Yes, then provide web-link for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remark	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remark
Communities	$	-	-	-	-	-	-
Investors (other than shareholders)	$	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Shareholders	$	-	-	-	-	-	-
Employees and workers	$	-	-	-	-	-	-
Customers	$	6 *	0		20	6	-
Value Chain Partners	$						
Other (please specify)	$	-	-	-	-	-	-

** Carried forward from previous year.*

$ Yes, policies which are statutorily required by are available on the Company's website at https://fermentabiotech.com/policies.php and other procedures regarding grievance redressal are integrated in the Company's internal standard operating procedures.

26. **Overview of the entity's material responsible business conduct issues**

(Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.)

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Product quality and safety	Risk	Compromise on pharmaceutical product quality would imply a compromise on the wellbeing of the end user. This may also entail failure to comply with statutory norms. Lapse in this regard may lead to product withdrawals, recalls, decreased sales, reputational risk among other threats.	The Company being in the pharma sector, the nature of its business requires the utmost attention to the quality of its product. We have taken various measures to ensure resilience against the risk, which inter alia include the following: • Employing rigorous systems and procedures to ensure manufacturing quality standards, GMP compliance, and other regulatory criteria • Audits conducted to ensure Quality Assurance	Negative
2	Competition	Risk	Competition and practices adopted in relation thereto by the competitors in the global market pose a risk for the Company's business.	The Company lays stong emphasis on maintaining the quality of its product, sales commitments, and cordial relations with its customers pan India and in global market. This ensures retention of customers and helps in maintaining the business.	Negative
3	Innovation and R&D	Opportunity	Innovation and R&D plays a crucial role in the long-term success of the Company. Our research includes developing new processes for known APIs and developing value-added and differentiated formulations. Such developments may lead to an increase in revenues.	-	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Business Integrity and Ethics	Risk	Any breach of ethical and business integrity breach may hamper the Company's credibility which might adversely impact the business relations and employee morale.	The Company's Codes of Conduct and Business Responsibility Policy lays string emphasis on adherence to ethics and business integrity. Various policies adopted by the Company promote trust, honesty, accountability and transparency in order to ensure strong value system and social responsibility in large interest.	Negative
5	Employee engagement, and wellbeing	Opportunity	Employees are Company's biggest assets. Employee engagement, safety, and well-being initiatives drive the enhanced productivity for the Company. It is an opportunity to integrate employees' involvement in the functioning of the Company, while ensuring employee satisfaction and safety at every stage.	-	Positive
6	Statutory and regulatory compliance	Risk	The business structure of the Company attracts applicability of various laws and regulations. The compliance requirements are increasing day-by-day with increasing complexities in the business dynamics. Any non-compliance on the part of the Company is a risk for the Company not only from financial perspective but also from the perspective of its operations and credibility.	The Company has a philosophy of 'zero tolerance to non-compliance'. Statutory compliance and regulatory risks are managed through measures which inter alia include: • Internal controls and Compliance management systems • Assessment of regulatory and compliance requirements on regular basis • Independent assessments and audits • Monitoring of Legal and regulatory compliance by senior management and the Board	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

(This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the National Guidelines for Responsible Business Conduct (NGRBC) Principles and Core Elements. NGRBC Principles as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below.

P1	Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive to all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Policy and Management Processes									
1	a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs.	Y	Y	Y	Y	Y	Y	N	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
	c. Web Link of the Policies, if available	https://fermentabiotech.com/policies.php								
2	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	N	Y	Y
3	Do the enlisted policies extend to your value chain partners? (Yes/No) @	Y	Y	Y	Y	Y	Y	N	Y	Y
4	Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g.SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	#								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	N	N	N	N	N	N	N	N	N
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not Applicable								

^ *The policies which are statutorily required to be adopted have been approved by the Board of Directors. Other policies / procedures either form part of standard operating procedures or are approved by the concerned functional heads in consultation with the management.*

@ *The Company's policies extend to its value chain partners to the extent applicable.*

BRC, FSMA, Kosher, HACCP, FSSC 22000, ISO 9001, ISO 14001, ISO 45001, American Vegetarian Association, Vegetarian Society UK, EDQM-CEP, FSSAI

Governance, leadership and oversight:

7. **Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.**

At Fermenta, we create solutions for maintaining the health and hygiene of communities globally – be it through our nutrition portfolio, integrated biotechnology solutions or water management services. We are proud of the role our products including Vitamin D play in preventive health for human and animal nutrition. We cater high quality products that will enable our communities to overcome micronutrient deficiency and contribute towards the global efforts in eliminating malnutrition. Our enzyme platforms provide green chemistry solutions for our consumers to reduce hazardous waste, improve efficiencies and manufacture their products using a cleaner process. Our water and wastewater management and treatment solutions contribute to the imminent need of the hour i.e. water conservation.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	We believe that true business excellence can be achieved only by doing business following sound sustainability principles that are based on good corporate governance as well as social, environmental and economic responsibilities. We remain committed to reducing the environmental impact of our operations, practicing ethical sourcing and improving our performance on sustainability. Notably, our sustainability initiatives in Kullu, Himachal Pradesh have been felicitated by the government as part of the Environment Leadership Awards 2021-22. Our sustained commitment towards our corporate citizenship is visible in our diverse Corporate Social Responsibility (CSR) activities through partnerships with various organizations across locations in India. Fermenta strives to enhance the Diversity, Equity and Inclusion quotient of its workforce, and is proud to have been recognized as a Great Place to Work® for the fourth consecutive year during the period of April 2022 – April 2023. Fermenta endeavours to align all our corporate actions with the United Nations Sustainable Development Goals by means of our Integrated Performance Report. We believe that our corporate values (Discipline, Honesty, Mutual Respect, Perseverance and Result Orientation) lie at the foundation of our business philosophy as we engage with our stakeholders to create shared value.								
8 Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Board of Directors								
9 Does the entity have a specified Committee of the Board / Director responsible for decision-making on sustainability related issues? (Yes / No). If yes, provide details.	Mr. Prashant Nagre Managing Director								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Policies, as applicable, are reviewed by the Board of Directors and/or management of the Company. Policies and performance against policies are reviewed by the management at periodic intervals via-a-vis statutory requirements and, accordingly, necessary amendments are made to the policies, as applicable.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company has necessary procedures in place to ensure the compliance with all relevant regulations.																	

		P1	P2	P3	P4	P5	P6	P7	P8	P9
11	**Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.**	The policies, processes and compliances, as applicable, are assessed by internal auditors and statutory auditors, as per the statutory requirements. Policies, as applicable, are reviewed by the Board of Directors and/or management of the Company at periodic intervals via-a-vis statutory requirements, and, accordingly, necessary amendments are made to the policies, as applicable.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Principle 7 (P7) is not applicable to the Company.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	N.A.						*	N.A.	
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	N.A.						*	N.A.	
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	N.A.						*	N.A.	
It is planned to be done in the next financial year (Yes/No)	N.A.						*	N.A.	
Any other reason (please specify)	N.A.						*	N.A.	

** Principle 7 (P7) is not applicable to the Company.*

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	4 nos. See note (i) below		100%
Key Managerial Personnel			100%
Employees other than BoD and KMPs	12 nos. See note (ii) below		100%
Workers			100%

Note.

(i) The Directors of the Company at the time of their appointment are oriented on the Company's philosophy, core values, code of business conduct and other codes / policies, and their roles and responsibilities as the director vis-à-vis Company's operations, industry in which it operates and statutory requirements.

At each meeting of the Board and Committees, the Directors and KMPs are apprised, inter alia, of the material developments regarding functioning and operations of the Company. Familiarization programmes are undertaken the keep the directors apprised of Company's strategic plans, regulatory changes, any major risk that needs to be attended, and overview of business and operations.

(ii) At the time of joining, the employees and workers are acquainted on various functional and non-functional aspects of the Company. Orientation program focuses on the Company's philosophy, core values, ethical business practices, code of business conduct, prohibition of insider trading code, Company's work culture and other policies including policy on Prevention of Sexual Harassment (POSH) at the Workplace, Whistle Blower Policy.

The Company strongly believes in upskilling its employees and workers by providing various functional as well as general trainings as and when required. We have identified various skills which are necessary for the employees and workers in relation to their work requirements. Employees and workers are provided with necessary training programmes not only pertaining to the respective areas of work but also overall concerning their wellbeing, health & safety.

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL				
Settlement					
Compounding fee					

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL			
Punishment				

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	NA

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes. The Company has adopted Business Responsibility Policy which covers the same. The policy is available on the website of the Company at https://fermentabiotech.com/policies.php

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

Name	FY 2022-23	FY 2021-22
Directors	NIL	NIL
KMPs		
Employees		
Workers		

6. **Details of complaints with regard to conflict of interest:**

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL		NIL	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**
– NOT APPLICABLE.

8. **Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:**

	FY 2022-23	FY 2021-22
Number of days of accounts payables	165 days	123 days

9. **Openness of business**

(Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:)

Parameter	Metrics	FY 2022-23	FY 2021-22
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	24%	21%
	b. Number of trading houses where purchases are made from	758	791
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	50%	49%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	6.8%	15%
	b. Number of dealers / distributors to whom sales are made	4	5
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	100%	100%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	Nil	Nil
	b. Sales (Sales to related parties / Total Sales)	6.2%	6.10%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	54.02%	50.86%
	d. Investments (Investments in related parties / Total Investments made)	70.22%	60.14%

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Name	2022-23	2021-22	Details of improvements in environmental and social impacts
R & D	-	-	-
Capex	-	-	-

2. a. **Does the entity have procedures in place for sustainable sourcing?**

We have standard operating procedures for the evaluation and selection of our vendors for sourcing of material who are responsible suppliers and adhere to the uniform quality, social and environmental standards as Fermenta.

b. **If yes, what percentage of inputs were sourced sustainably?** 100%.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Product	Processes in place to safely reclaim the product
Plastics (including packaging)	The Company has engaged SPCB registered plastic waste processors to collect plastic waste from Company's factories. These plastic waste processors send it for recycling/end of life disposal after treatment. This reduces wastage of plastic at the factory level itself
E-waste	100% e-waste is sold to authorised vendors.
Hazardous waste	For recycling and disposal of hazardous waste, all hazardous waste of the Company segregated at the factory level and sent to the respective State Pollution Control Board (SPCB) authorised waste management processor for disposal in accordance with regulatory norms.
Other waste	Non-hazardous waste such as glass, MS scrap, wood waste, boiler ash etc. is sent to authorised recyclers.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No.

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/A)	No.(C)	% (C/A)	No.(D)	% (D/A)	No. (E)	% (E/A)	No.(F)	% (F/A)
Permanent employees											
Male	429	429	100%	429	100%	NA	NA	429	100%	0	0
Female	22	22	100%%	22	100%	22	100%	NA	NA	0	0
Total	**454**	**454**	**100%**	**454**	**100%**	**22**	**4.84%**	**429**	**94.5%**	**0**	**0**
Other than Permanent employees											
Male	22	22	100%	22	100%	NA	NA	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	**22**	**22**	**100%**	**22**	**100%**	**0**	**0**	**0**	**0**	**0**	**0**

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B / A)	No.(C)	% (C / A)	No.(D)	% (D / A)	No. (E)	% (E / A)	No.(F)	% (F / A)
Permanent workers											
Male	429	429	100%	429	100%	NA	NA	429	100%	0	0
Female	22	22	100%%	22	100%	22	100%	NA	NA	0	0
Total	**454**	**454**	**100%**	**454**	**100%**	**22**	**4.84%**	**429**	**94.5%**	**0**	**0**
Other than Permanent workers											
Male	22	22	100%	22	100%	NA	NA	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	**22**	**22**	**100%**	**22**	**100%**	**0**	**0**	**0**	**0**	**0**	**0**

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format.**

	FY 2022-23	FY 2021-22
Cost incurred on well-being measures as a % of total revenue of the company	Total amount: ₹97,45,395/- (0.30%)	Total amount: ₹75,66,926/- (0.20%)

2. **Details of retirement benefits, for Current FY and Previous Financial Year.**

Benefits	FY 2021-22			2020-21		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	5%	34%	Yes	5%	34%	Yes
Others – NPS	NA	NA	NA	NA	NA	NA

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the premises/ offices of the Company has infrastructure available for differently abled individuals.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy? –**

Social Compliance Policy is available at https://fermentabiotech.com/policies.php

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	**100%**	**100%**	**100%**	**100%**

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers Other than Permanent Workers Permanent Employees Other than Permanent Employees	Yes. FBL has Grievance Redressal Committee to address grievances of employees across all locations. We also encourage employees to voice their concerns through a suggestion box placed at all facilities. FBL also has POSH Policy in place, and the aggrieved women at workplace can approach Internal Committee of the Company.

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees						
- Male	0	0	0	0	0	0
- Female	0	0	0	0	0	0
Total Permanent workers						
- Male	95	95	100%	96	96	100%
- Female	1	1	100%	1	1	100%

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
		On Health and safety measures		On Skill upgradation			On Health and safety measures		On Skill upgradation	
	Total (A)	Number (B)	% (B/A)	Number (C)	% (C/A)	Total (D)	Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Male	429	429	100%	429	100%	471	471	100%	471	100%
Female	25	25	100%	25	100%	36	36	100%	36	100%
Total	**454**	**454**	**100%**	**454**	**100%**	**507**	**507**	**100%**	**507**	**100%**
Workers										
Male	95	95	100%	95	100%	96	96	100%	96	100%
Female	1	1	100%	1	100%	1	1	100%	1	100%
Total	**96**	**96**	**100%**	**96**	**100%**	**97**	**97**	**100%**	**97**	**100%**

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	Number (B)	% (B / A)	Total (C)	Total (D)	% (D/C)
Employees						
Male	429	369	86.01%	471	324	68.78%
Female	25	25	100%	36	31	86.11%
Total	**454**	**394**	**86.78%**	**507**	**355**	**70.01%**
Workers						
Male	95	95	100%	96	96	100%
Female	1	1	100%	1	1	100%
Total	**96**	**96**	**100%**	**97**	**97**	**100%**

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes. In accordance with the Environment, Health, Safety and Sustainability Policy of the Company, Occupational Health and Safety Management System has been implemented at all in house manufacturing facilities and Research & development laboratory. Further, all other locations also comply with the applicable statutory requirement pertaining to health and safety. The Company's health and safety management system is based on ISO 45001, the International Standard for Occupational Health and Safety.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company has Environment, Health, Safety and Sustainability Policy in place. The health and safety guidelines are applicable to all operating locations of the Company and lay down required parameters to be followed at all locations. Some of the key processes for identifying work-related hazards and assessing risks on a routine and nonroutine basis are given below:

I. Hazard Identification and Risk Assessment (HIRA) is used for routine and non-routine activities.

II. Hazard and Operability Study (HAZOP) is being used for identifying hazard related to chemical processes.

III. Chemical Risk Assessment is used for identifying health hazards during handling of chemicals.

IV. Fire Risk Assessment is done for handling fire related risks.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes, all workers at plants can report work related hazards through an internal reporting system. All the work hazards reported are monitored and actioned upon through Safety Committee at the plant. A process of 'stoppage of work due to unsafe act and unsafe condition' to safeguard employees' interest is in place to report or remove themselves from situations they believe could cause injury. At non-manufacturing locations, the workers approach the location head to report any work-related hazards and to remove themselves from such risks.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, Company's various locations have empaneled doctors and all employees/workers are covered under the Company's health insurance and personal accident policy.

11. Details of safety-related incidents, in the following format:

Safety Incident/Number	Category*	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

** Including in the contract workforce.*

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

To ensure the safe and healthy workplace, we have implemented SOPs which are available in local language and which need to be followed by every personnel working in the Company. Use of PPEs/safety material are mandatory for concerned employes/workers. Mock drills and fire drills are carried out to evaluate the emergency readiness as well as safety measures in the event of any unexpected or undesirable occurrences. Highest standards of hygiene and housekeeping are maintained. The Company operates on a well-maintained HVAC system.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	0	0	0	0
Health & Safety	0	0	0	0	0	0

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions. –

The Company continuously monitors and assesses its health and safety practices and working conditions. Investigation is conducted in case any incident is reported using various methodology to identify the root cause. The investigation team presents corrective and preventive measures which is reviewed at various levels by the local management and central teams. Such corrective actions are then deployed horizontally across locations.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.

1. Describe the processes for identifying key stakeholder groups of the entity.

The entire value chain of Fermenta is facilitated by its stakeholders which inter alia include employees, workers, shareholders, customers, communities, suppliers, regulators and lenders. These stakeholders are crucial for Company's very existence, the overall development and sustainable growth of its business.

Stakeholder identification is a continuous and on-going process at Fermenta. The Company has identified internal and external group of stakeholders. Policies at Fermenta also aim at ensuring overall Stakeholders' satisfaction.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually / Half yearly / Quarterly / others)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	• General Meetings • Stock Exchange intimations • Investor presentations / Annual reports & quarterly results • Press releases • Company's website	Ongoing	Keeping shareholders updated about the Company's business performance is crucial. We value acknowledging their queries and inputs and expectations from Company.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually / Half yearly / Quarterly / others)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	• Customer meets • Direct communication • Brochures • Social media • Company's website	Need basis	Our entire business in dependent upon customers. Understanding customers' expectations, their satisfaction and retention is at the core of Fermenta's business. Engagement and good relationship with customers helps the Company in Business Development.
Employees and Workers	No	• Senior management interactions • HR communications • Performance appraisal meetings/review • Exit interviews • Union meetings, Company's website • HRMS (System)	Continually	Employees are our biggest asset and pillars of our functioning. Regular interactions with them help the Company understand their expectations and grievances which in order helps Company build a strong employee base with loyalty and low attrition rate.
Suppliers	No	• Meetings • Supplier audits • Facility visits	Need basis	Regular engagements with help to ensure timely receipt of materials, their quality and safety amongst other critical services to ensure continuity of business operations.
Regulators	No	• Meetings, • Seminars/ Webinars • Official communications • Statutory publications	Need basis	We aspire for full compliance with all the applicable regulations. Interactions with the Government and Regulators help us understand statutory and procedural requirements and resolve any issues or lapses in relation thereto.
Communities	No	• Interactions through CSR initiatives	Need basis	Fermenta, being a responsible corporate citizen, strongly believes in growing together with the community. Hence, our CSR programmes helps in community development. The Company also fulfils its manpower requirement by employing the people from the nearby location where it has its business operations to the extent possible.

PRINCIPLE 5 Businesses should respect and promote human rights

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	454	454	100%	507	507	100%
Other than permanent	22	22	100%	25	25	100%
Total Employees	**476**	**476**	**100%**	**532**	**532**	**100%**
Workers						
Permanent	96	96	100%	97	97	100%
Other than permanent						
Total Workers	**312**	**312**	**100%**	**347**	**347**	**100%**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (F/D)
Employees										
Permanent										
Male	429	0	0	429	100%	471	0	0	471	100%
Female	25	0	0	25	100%	36	0	0	36	100%
Other than Permanent										
Male	22	0	0	22	100%	25	0	0	25	100%
Female	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent										
Male	95	0	0	95	0	96	0	0	96	100%
Female	1	0	0	1	0	1	0	0	1	100%
Other than Permanent										
Male	212	212	100%	0	0	246	246	100%	0	0
Female	4	4	100%	0	0	4	4	100%	0	0

3. Details of remuneration/salary/wages:

(a) Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	3	₹19,347,007/-	1	₹12,109,865/-
Key Managerial Personnel	2	₹7,257,501/-	0	0
Employees other than BoD and KMP	449	₹647,870/-	24	₹769,020/-
Workers	96	₹319,980/-	1	₹254,032/-

(b) Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2022-23	FY 2021-22
Gross wages paid to females as % of total wages	8%	10%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. Human Resource Department is responsible for the same.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has Policies on Human Rights which are applicable to all its employees and suppliers & service providers. The said Policies and their implementation are directed towards adherence to applicable laws and upholding the spirit of human rights. The Company has in place a Business Responsibility Policy. A grievance redressal system to facilitate open and structured discussions is available at all units and locations to ensure that grievances related to labour practices and human rights are addressed and resolved in a fair and just manner.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil			Nil		
Discrimination at workplace						
Child Labour						
Forced Labour / Involuntary Labour						
Wages						
Other human rights related issues						

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

	FY 2022-23	FY 2021-22
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

As part of Whistleblower Policy and POSH Policy, the Company protects identity of the complainant/ whistleblower. All such matters are dealt in strict confidence and based on facts of the case.

9. **Do human rights requirements form part of your business agreements and contracts?**

   It depends on the type and nature of agreement.

10. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%, assessed by the Company.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others	

11. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above. –**

    Not Applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
From renewable sources in MJ		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy Consumption Through Other Sources (C) (Solar)	1,24,930.8	1,20,157.2
Total energy consumed from renewable sources (A+B+C)	1,24,930.8	1,20,157.2
From non-renewable sources in MJ		
Total electricity consumption (D)	4,70,63,714.4	57145,402.8
Total fuel consumption (E)	3,61,73,588.4	61597,746
Energy consumption through other sources (F)	2,37,975.98	354,121.92
Total energy consumed from non-renewable sources (D+E+F)	8,34,75,278.78	11,90,97,270.70
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations))	0.02541654	0.030729262
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	-	-
Energy intensity in terms of physical output	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency – N.A.*

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.** – N.A.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	97,177.8	1,17,156.9
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	97,177.8	1,17,156.9
Total volume of water consumption (in kiloliters)	97,177.8	1,17,156.9
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.029544464	0.030198144
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	-	-
Water intensity in terms of physical output	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. N.A.*

4. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third parties		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment (Primary, Secondary & Tertiary)	47,747	54,354
Total water discharges (in kiloliters)	**47,747**	**54,354**

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. N.A.*

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation. Nil.

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	mg/nm3	25.87	22.698
SOx	mg/nm3	19.424	17.286
Particulate matter (PM)	mg/nm3	21.852	22.066
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. N.A.*

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	-	-
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	-	-
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	-	-	-
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	-	-	-
Total Scope 1 and Scope 2 emission intensity in terms of physical output	-	-	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. N.A.*

8. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

Yes. We work towards improving the energy efficiency across operational locations and enhance the proportion of renewable energy sources (electricity and biofuels) in the total energy mix.

We have 35.3 KW of solar installation in operation, supplying the electricity to our facilities in Maharashtra, and further plan to increase the share of renewable energy.

9. **Provide details of the following disclosures related to waste management by the entity in the following format:**

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.198	0.325
E-waste (B)	0.5031	0.639
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	910.431	1641.16
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e.by materials relevant to the sector)		
1) Wet Garbage	4.8	10.8
2) STP sludge	1.2	1.08
3) Dry Garbage	12.35	7.2
Total (A+B + C + D + E + F + G + H)	**929.48**	**1661.20**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	**0.00028**	**0.00043**
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	-	-
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	124.70	79.914
(ii) Re-used	6	11.88
(iii) Other recovery operations	-	-
Total	**130.7**	**91.79**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	322.13	713.44
(ii) Landfilling	462.08	845.05
(iii) Other disposal operations		-
Total	**784.22**	**1558.50**

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. N.A.*

10. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

FBL has consistently scaled up its waste management practices by reducing generated quantities and directing waste to authorised Treatment, Storage and Disposal Facilities (TSDF). We are increasing the share of recycling and coprocessing to bring down the quantity of waste disposed to landfills. We have dedicated storage area for different type of waste (E-waste, hazardous and non-hazardous) and waste segregation is done at source. Hazardous waste packing is done into compatible packing material and all types of waste are labelled, stored and disposed of as per applicable rules and consent to operate.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
No			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

During FY 2021-22 and FY 2022-23 we didn't require to perform any Environmental Impact Assessment (EIA).

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
No					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: Yes

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Nil				

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

1. a. **Number of affiliations with trade and industry chambers/ associations.** 10

   b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Indian Drug Manufacturers Association (IDMA)	National
2	Maharashtra Chamber of Commerce, industry & Agriculture (MACCIA)	State
3	Indo-German Chamber of Commerce (IGCC)	National/International
4	Small and Medium Business Development Chamber of India (SME)	National
5	Federation of Pharma Enterprenuers India (FOPE)	National
6	Indian Merchant Chambers (IMC)	National
7	Basic Chemicals, Cosmetics & Dyes Export Promotion Council (Chemexcil)	National
8	Bombay Chamber of Commerce & Industry	National
9	The Compound Feed Manufacturers Association (CLFMA)	National
10	Solvent Extractors Association (SEA)	National

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.** – Not Applicable

Name of authority	Brief of the case	Corrective action taken
	Nil	

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.** – Not Applicable.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes /No)	Results communicated in public domain (Yes / No)	Relevant Web link
			Nil		

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:** Not Applicable

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
1				Nil		
2				Nil		

3. **Describe the mechanisms to receive and redress grievances of the community.**

   The Company has a process to receive and redress concerns/grievances received from the community. As a part of CSR Initiative, the Company interacts with the community on a regular basis.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	55%	40%
Directly from within India	14%	11%

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

Location	FY 2022-23	FY 2021-22
Rural	-	-
Semi-urban	46%	48%
Urban	-	-
Metropolitan	54%	53%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   Fermenta endeavours to identify and act upon any consumer complaints with urgency. Our customers can reach out to their point of contacts at Fermenta who work internally to resolve the same at earliest. Fermenta has standard operating procedures in place for responding to customer complaints.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. **Number of consumer complaints in respect of the following:**

	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil			Nil		
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reason for recall
Voluntary recalls	0	N.A.
Forced recalls	0	N.A.

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   Company's policies related to cyber security which inter alia cover risks related to data privacy are available on the Company's intranet portal.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.** N.A.

7. **Provide the following information relating to data breaches:**

   a. Number of instances of data breaches. Nil

   b. Percentage of data breaches involving personally identifiable information of customers. N.A.

   c. Impact, if any, of the data breaches. N.A.

Independent Auditor's Report

To
the Members of
Fermenta Biotech Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Fermenta Biotech Limited ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
Recoverability of investments in and loans / advances / receivables from certain subsidiaries (as described in Note 9,11,20 of the standalone financial statements)	
The Company has investments in certain subsidiaries having a carrying value of ₹1,250.06 lakh (net of impairment loss of ₹831.21 lakh). Further, the Company has also given loans / advances and has receivables outstanding from these subsidiaries amounting to ₹3,432.72 lakh (net of provision for expected credit loss of 3,178.74 lakh) These subsidiaries have either been incurring losses or further investments made by them in the step-down subsidiaries have been incurring losses due to unfavorable market conditions and other indicators. Accordingly, these have been considered for assessment of impairment and determination of the expected credit loss.	Our audit procedures included the following: • We obtained management's assessment for impairment for recoverability of these investments and financial assets. • Evaluated the design and implementation and tested the operating effectiveness of key internal financial controls related to the Company's process relating to impairment assessment and determination of expected credit loss.

Key audit matters	How our audit addressed the key audit matter
Assessment of the recoverable amount of these balances has been identified as a key audit matter due to: • Significance of the carrying amount of these balances. • Significant estimates relating to the estimated future cash flows, associated discount rates and growth rates based on management's view of future business prospects, to the extent applicable. • Changes to any of these assumptions could lead to material changes in the estimated recoverable amount impacting potential impairment/ expected credit loss.	• Assessed impairment/ expected credit loss model used by the management and the evaluated the assumptions used around the key drivers (cash flow forecasts, discount rates, expected growth rates, forecasted margins and terminal growth rates) based on our knowledge of the subsidiaries business and Industry, as applicable. Compared the historical accuracy by comparing past forecasts to actual results achieved. • Assessed the recoverable value headroom by performing sensitivity testing of key assumptions used. • Tested the arithmetical accuracy of the computation of recoverable amounts • Assessed the adequacy of disclosures made in the standalone financial statements

Recoverability of Minimum Alternate Tax (MAT) credit entitlement included under deferred tax assets

(as described in Note 48 of the standalone financial statements)

The Company has recognised deferred tax assets amounting to ₹5218.86 representing Minimum Alternate Tax (MAT) credit entitlement, pursuant to the provisions of Section 115JB of the Income-tax Act, 1961 and related rules. Unused tax credits in the form of MAT credits is recognized to the extent that there is convincing evidence that sufficient taxable profits will be available in the future against which such MAT credit can be utilized. The recoverability of such MAT credit entitlement is considered as a key audit matter as it involves significant management judgement including accounting estimates relating to profitability forecasts, availability of sufficient taxable income in the future and recoverability within the specified period of time.	Our audit procedures included the following: • Evaluated the Company's accounting policies with respect to recognition of deferred taxes in accordance with Ind AS 12 "Income Taxes". • Evaluated the design and implementation and tested the operating effectiveness of key internal financial controls related to the assessment of recoverability of MAT credit entitlement. • Obtained and analysed the future projections of taxable profits estimated by management and assessed the key assumptions used and the reasonableness of the future cash flow projections. • Assessed the sensitivity analysis applied by the Company and evaluated if any change in the assumptions will lead to any material change utilisation of the MAT credit entitlement. • Assessed the adequacy of disclosures made in the standalone financial statements

Provision for Inventory obsolescence

(as described in Note 15 of the standalone financial statements)

As at March 31, 2023, the carrying amount of inventories amounted to ₹10,974.83 lakh after considering allowances for Inventory towards semi-finished goods pertaining to animal feed business. Inventories are carried at lower of cost and net realisable value. The Company makes provision for inventory based on category of products, experience, age of Inventory, current trend and future expectations of forecast inventory demand, product expiry dates and plans to dispose of inventories that are close to expiry. Considering the significant management judgment and estimates involved, provision for inventory obsolescence has been considered as a key audit matter.	Our audit procedures included the following: • Obtained an understanding of management's process to identify slow-moving, obsolete and other non-saleable inventory, and process of consequent measurement of required provision for obsolescence. • Evaluated the design, implementation and tested the operating effectiveness of key controls that the Company has in relation to aforesaid process • For the provisions made in respect of expired or near expiry inventory balances, tested such identification from the batch-wise expiry information and reperformed computations to validate the accuracy and completeness of such provision estimates

Key audit matters	How our audit addressed the key audit matter
	• For provisions made in respect of slow moving and non-saleable Inventory, discussed with management the triggers taken into account for such identification and evaluated the same in view of our understanding of the business and industry conditions. Assessed the management's estimates regarding the expected timing by which the balance inventory of aforesaid products would be sold basis past trends and market conditions. Further, reperformed computations to test the accuracy and completeness of such provision estimates • Assessed the adequacy of disclosures made in the standalone financial statements

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the financial statement's or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The financial statements of the Company for the year ended March 31, 2022, included in these standalone financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 30, 2022.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 43 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Poonam Todarwal
Partner
Membership Number: 136454
UDIN: 23136454BGZFEG7527

Place of Signature: Mumbai
Date: May 29, 2023

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) All Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(C) The title deeds of immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favor of the lessee) disclosed in note 6 to the standalone financial statements included in property, plant and equipment are held in the name of the Company except immovable properties as indicated in the below mentioned cases:

(₹in lakh)

Description of Property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of Company
Freehold land located at Village Takwe (Budruk) Taluka – Maval, District Pune	8.06	The land is held in trust in the name of Mr. Krishna Datla (Executive Vice Chairman) and Ms. Rajeshwari Datla (Director/ relative of Executive Vice Chairman)	Yes	Various dates from 27th December 1992 to 4th July 1994	The plot of land is an agricultural land lying in the industrial zone and as explained to us, required to register in individual names.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2023 and no discrepancies were noticed in respect of such confirmations. No discrepancies of 10% or more in aggregate for each class of inventory were noticed in respect of such physical verification.

(b) As disclosed in note 24 to the standalone financial statements, the Company has been sanctioned working capital limits in excess of ₹five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements including clarifications provided by the banks, the quarterly returns / statements filed by the Company with such banks are in agreement with the books of account of the Company.

(iii) (a) During the year the Company has provided loans, advances in the nature of loans, stood guarantee and provided security to companies as follows:

(₹ in lakh)

Particulars	Guarantees	Security	Loans	Advances/Deposits in nature of loans
Aggregate amount granted/ provided during the year				
Subsidiaries	-	-	-	-
Associate	-	-	-	-
Others	-	-	117.65	-
Balance outstanding as at balance sheet date in respect of above cases				
Subsidiaries	-	-	698.35	464.00*
Associate	-	-	37.00*	-
Others	-	-	120.00	907.14*

* The amounts reported are at gross amounts, without considering provisions made.

(b) During the year the investments made and the terms and conditions of the grant of all loans and advances in the nature of loans, investments and guarantees to companies are not prejudicial to the Company's interest.

(c) In respect of certain loans or advance in the nature of loan granted to companies or any other parties, the schedule of repayment of principal and payment of interest has not been stipulated in the agreement. Hence, we are unable to make a specific comment on the regularity of repayment of principal and payment of interest in respect of such loans and advances.

(d) The following amounts are overdue for more than ninety days from companies or any other parties to whom loan has been granted during the earlier year, and reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.

Number of Cases	Principal Amount Overdue (Amt in lakh)	Interest Overdue (Amt in lakh)	Total Overdue (Amt in lakh)
1	-	2.07	2.07

(e) There were no loans or advance in the nature of loan granted to companies which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the over-dues of existing loans given to the same parties.

(f) As disclosed in note 11 to the financial statements, the Company has granted loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies or any other parties. Of these following are the details of the aggregate amount of loans or advances in the nature of loans granted to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013:

(₹ in lakh)

	All Parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans - Repayable on demand	1415.75*	-	508.61*
Percentage of loans/ advances in nature of loans to the total loans	63.37%		22.77%

(iv) There are no loans, guarantees, and security in respect of which provisions of sections 185 of the Companies Act, 2013 are applicable. and hence not commented upon. Loans, investments, guarantees and security in respect of which provisions of sections 186 of the Companies Act, 2013 ('the Act') are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the manufacture of its products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

(₹ in lakh)

Name of statute	Nature of dues	Amount	Period	Forum where the dispute is pending
The Finance Act 1994	Service Tax	18.75	2000-2001	Sales Tax Appellate Tribunal
The Gujarat Sales Tax Act	Sales Tax	4.63	1992-1994	High Court, Bombay

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a nidhi company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order are not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) (d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year respectively.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 60 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 51 on the standalone financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 51 to the financial statements.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Poonam Todarwal
Partner
Membership Number: 136454
UDIN: 23136454BGZFEG7527

Place of Signature: Mumbai
Date: May 29, 2023

Annexure 2 to the Independent Auditor's Report of even date on the standalone financial statements of Fermenta Biotech Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Fermenta Biotech Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls With Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Poonam Todarwal
Partner
Membership Number: 136454
UDIN: 23136454BGZFEG7527

Place of Signature: Mumbai
Date: May 29, 2023

Standalone Balance Sheet as at March 31, 2023

(₹ in Lakhs)

	Notes	March 31, 2023	March 31, 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	20,484.95	19,346.87
(b) Capital work-in-progress	4	4,190.25	2,989.35
(c) Right-of-use assets	5	1,342.76	1,571.27
(d) Investment property	6	2,822.92	6,678.63
(e) Goodwill	6A	411.65	411.65
(f) Other Intangible assets	7	742.90	667.95
(g) Intangible assets under development	8	311.96	467.16
(h) Investments			
i) Investments in subsidiaries	9A	1,250.06	1,270.02
ii) Investments in an associate	9B	-	-
(i) Financial assets			
(i) Investments	9C	34.81	28.71
(ii) Share application money	10	-	-
(iii) Trade receivables	16	1,796.01	-
(iv) Loans	11	715.83	643.11
(v) Other financial assets	12	2,104.25	669.16
(j) Deferred tax assets (net)	48C	3,329.12	3,329.12
(k) Non-current tax assets (net)	13	966.79	1,316.57
(l) Other non-current assets	14	636.37	350.31
Total non-current assets		**41,140.63**	**39,739.88**
Current assets			
(a) Inventories	15	10,974.83	12,957.95
(b) Financial assets			
(i) Trade receivables	16	6,741.20	11,782.62
(ii) Cash and cash equivalents	17	3,201.06	1,019.22
(iii) Bank balances other than (ii) above	18	2,303.75	2,055.31
(iv) Investments		278.07	-
(v) Loans	19	102.50	1.50
(vi) Other financial assets	20	85.17	507.18
(c) Other current assets	21	1,316.51	3,200.97
(d) Contract Assets		321.98	-
Total current assets		**25,325.07**	**31,524.75**
TOTAL ASSETS		**66,465.70**	**71,264.63**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	22	1,442.87	1,442.37
(b) Other equity	23	31,964.22	38,154.82
Total equity		**33,407.09**	**39,597.19**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	8,353.96	11,468.25
(ii) Lease liabilities	46	370.13	371.77
(iii) Other financial liabilities	25	108.38	72.43
(b) Provisions	26	462.46	564.83
(c) Other non-current liabilities	27	2,394.40	524.43
Total non-current liabilities		**11,689.33**	**13,001.71**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	28	13,325.63	12,146.34
(ii) Lease liabilities	46	68.97	107.28
(iii) Trade payables			
(A) Total outstanding dues of micro and small enterprises and;	29 & 52	280.47	224.72
(B) Total outstanding dues of creditors other than micro and small enterprises	29	5,021.44	4,331.92
(iv) Other financial liabilities	30	908.91	1,275.59
(b) Other current liabilities	31	1,664.18	469.81
(c) Provisions	32	58.14	78.06
(d) Current tax liabilities (net)	33	32.01	32.01
(e) Contract Liability		9.53	-
Total current liabilities		**21,369.28**	**18,665.73**
TOTAL EQUITY AND LIABILITIES		**66,465.70**	**71,264.63**
See accompanying notes to the Standalone financial statements	1-71		

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Poonam Todarwal
Partner
Membership No. 136454

Thane, May 29, 2023

For and on behalf of the Board of Directors of
Fermenta Biotech Limited

Krishna Datla
Executive Vice-Chairman
DIN 00003247

Prashant Nagre
Managing Director
DIN 09165447

Sumesh Gandhi
Chief Financial Officer
Thane, May 29, 2023

Srikant N. Sharma
Company Secretary

Standalone Statement of Profit and Loss for the year ended March 31, 2023

(₹ in Lakhs)

	Notes	March 31, 2023	March 31, 2022
Income			
Revenue from operations	34	32,892.05	38,796.06
Other income	35	756.00	752.62
Total income		**33,648.05**	**39,548.68**
Expenses			
Cost of materials consumed	36	10,048.56	13,312.90
Purchases of stock-in-trade		872.76	341.84
Changes in inventories of finished goods,stock-in-trade and work-in-progress	37	1,728.52	764.71
Employee benefits expense	38	5,372.02	5,936.02
Finance costs	39	2,094.23	1,722.60
Depreciation and amortisation expense	40	2,451.39	2,367.41
Other expenses	41	10,990.44	10,846.96
Total expenses		**33,557.92**	**35,292.44**
Profit before Exceptional Items and tax		**90.13**	**4,256.24**
Exceptional Items (Income) / loss	67	5,958.92	-
Profit / (Loss) after exceptional items		**(5,868.79)**	**4,256.24**
Tax expense / (credit)			
Current tax	48A	-	740.75
Adjusment of tax related to earlier years		(115.52)	-
Deferred tax charge	48C	-	491.76
Tax expense / (credit)		**(115.52)**	**1,232.51**
Profit / (loss) for the year		**(5,753.27)**	**3,023.73**
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
(a) (i) Remeasurements of defined benefit plan		11.16	(33.30)
(ii) Income tax relating to remeasurements of defined benefit plan		-	9.70
(b) Net fair value change in investment in equity instruments through other comprehensive income		6.10	3.77
Total other comprehensive income/ (loss) for the year (a+b)		**17.26**	**(19.83)**
Total comprehensive income/(loss) for the year		**(5,736.01)**	**3,003.90**
Earnings per equity share of ₹5 each before exceptional items	45		
Basic (in ₹)		**0.71**	**10.48**
Diluted (in ₹)		**0.71**	**10.43**
Earnings per equity share of ₹5 each after exceptional items	45		
Basic (in ₹)		**(19.94)**	**10.48**
Diluted (in ₹)		**(19.94)**	**10.43**
See accompanying notes to the Standalone financial statements	1-71		

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Poonam Todarwal
Partner
Membership No. 136454

Thane, May 29, 2023

For and on behalf of the Board of Directors of
Fermenta Biotech Limited

Krishna Datla
Executive Vice-Chairman
DIN 00003247

Prashant Nagre
Managing Director
DIN 09165447

Sumesh Gandhi
Chief Financial Officer
Thane, May 29, 2023

Srikant N. Sharma
Company Secretary

Standalone Statement of Changes in Equity for the year ended March 31, 2023

(a) Equity share capital

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Balance at the beginning of the year	1,442.37	1,442.37
Add: Shares issued during the year on stock option exercise	0.50	-
Balance at the end of the year	**1,442.87**	**1,442.37**

(a) Other equity

(₹ in Lakhs)

	Reserves and Surplus								Items of other comprehensive income	Total
	Unrealised (loss) on dilution	Capital redemption reserve	Capital reserve pursuant to amalgamation	Capital reserve	Securities premium	General reserve	Share options outstanding account	Retained earnings	"Equity instruments through OCI"	
Balance as at April 01, 2021	**(4,242.23)**	**70.00**	**1,074.20**	**1,140.00**	**-**	**3,545.80**	**1,199.54**	**32,792.62**	**22.52**	**35,602.45**
Profit for the year	-	-	-	-	-	-	-	3,023.73	-	3,023.73
Payment of dividend (Gross)								(721.18)		(721.18)
Recognition of share based payments (Expense)	-	-	-	-	-	-	269.65	-	-	269.65
Other comprehensive income for the year	-	-	-	-		-	-	(23.60)	3.77	(19.83)
Balance as at March 31, 2022	**(4,242.23)**	**70.00**	**1,074.20**	**1,140.00**	**-**	**3,545.80**	**1,469.19**	**35,071.57**	**26.29**	**38,154.82**
Loss for the year	-	-	-	-		-	-	(5,753.27)	-	(5,753.27)
Transfer to equity share capital on excerise of options					42.09		(42.09)	-	-	-
Premium on issue of equity share on stock option excerise	-	-	-	-	7.85	-	-		-	7.85
Payment of dividend (Gross)	-	-	-	-	-	-	-	(360.59)	-	(360.59)
Recognition of share based payments (Gain)	-	-	-	-		-	(101.85)	-	-	(101.85)
Other comprehensive income for the year	-	-	-	-		-	-	11.16	6.10	17.26
Balance as at March 31, 2023	**(4,242.23)**	**70.00**	**1,074.20**	**1,140.00**	**49.94**	**3,545.80**	**1,325.25**	**28,968.87**	**32.39**	**31,964.22**

See accompanying notes 1-71 to the Standalone financial statements

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Poonam Todarwal
Partner
Membership No. 136454

Thane, May 29, 2023

For and on behalf of the Board of Directors of Fermenta Biotech Limited

Krishna Datla
Executive Vice-Chairman
DIN 00003247

Prashant Nagre
Managing Director
DIN 09165447

Sumesh Gandhi
Chief Financial Officer
Thane, May 29, 2023

Srikant N. Sharma
Company Secretary

Standalone Cash Flow Statement for the year ended March 31, 2023

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss)before tax and after Exceptional Items	(5,868.79)	4,256.24
Adjustments for :		
Depreciation and amortisation expense	2,451.39	2,367.41
Net unrealised foreign exchange gain	(119.02)	(51.10)
Loss/(Gain) on sale / write off of property, plant and equipment and investment property (net)	(4,741.34)	2.67
Proceeds on sale of Investment Property	9,217.16	-
Allowance for doubtful debts	51.62	32.85
Expense charged /(reversed) on Employee Stock Option	(101.85)	269.65
Finance costs	2,094.23	1,722.60
Interest income	(239.68)	(141.66)
Dividend income	(0.63)	-
Liabilities / provisions no longer required written back	(302.91)	(223.94)
Trade receivable and advances written off	478.34	3.44
Impairment in the value of non-current investments	0.88	-
Net (gain)/loss on fair value changes of derivatives measured at FVTPL	41.21	(86.58)
Exceptional Items (Allowance for Inventory, Trade receivable and Investment)	5,958.92	-
Operating profit before working capital changes	**8,919.53**	**8,151.58**
Movements in working capital:		
Decrease/(increase) in trade receivables	416.24	(1,856.39)
Decrease in inventories	42.58	321.32
(Increase) in other assets	(125.50)	(582.62)
Increase in trade payables	1,047.76	186.63
(Decrease)/Increase in provisions	(111.12)	85.51
Increase / (Decrease) in other liabilities	1,791.54	(337.20)
Cash generated from operations	**11,981.03**	**5,968.83**
Income taxes paid (net of refund)	465.31	(927.80)
Net cash generated from operation (A)	**12,446.34**	**5,041.03**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for purchase of property, plant and equipment, capital work-in-progress, intangible assets and intangible assets under development	(4,048.95)	(3,712.83)
Proceeds on sale of property, plant and equipment	8.38	9.08
Proceeds from Intercorporate deposits /employee loan placed	2.35	476.10
Interest received	164.36	235.84
Loan given to a subsidiary and others	-	(642.26)
Intercorporate deposits / employee loan given	(120.00)	-
Investments in a subsidiary	(811.88)	-
Dividend received	0.63	-
Deposits placed with financial institution (net)	(15.78)	(50.93)
Placement/ (withdrawal) of fixed deposits with bank	(1,623.26)	438.98
Net cash used in investing activities (B)	**(6,444.15)**	**(3,246.02)**

Standalone Cash Flow Statement for the year ended March 31, 2023

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from non current borrowings	3,630.84	2,430.46
Repayment of Borrowings	(5,395.72)	(2,122.99)
Proceeds from current borrowings	229.14	59.72
Finance cost paid	(2,055.71)	(1,667.44)
Repayment of Lease Liabilities	(127.94)	(154.58)
Dividends paid	(360.59)	(721.18)
Net cash used in financing activities (C)	**(4,079.98)**	**(2,176.01)**
Net increase / (decrease) in cash and cash equivalents (A)+(B)+(C)	1,922.21	(381.00)
Cash and cash equivalents at the beginning of the year	(474.74)	(93.74)
Cash and cash equivalents at the end of the year	**1,447.47**	**(474.74)**
Components of cash and cash equivalents		
Cash on hand	4.38	7.05
Balances with banks:		
In current accounts	3,184.16	898.77
In deposits accounts with original maturity for less than 3 months	12.52	113.40
Cash and cash equivalents (Refer note 17)	3,201.06	1,019.22
Cash credit and Bank overdraft facilities (Refer note 28)	(1,753.59)	(1,493.96)
Total cash and cash equivalents considered for cash flows	**1,447.47**	**(474.74)**

See accompanying notes to the Standalone financial statements 1-71

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Poonam Todarwal
Partner
Membership No. 136454

Thane, May 29, 2023

For and on behalf of the Board of Directors of
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Managing Director
DIN 09165447

Sumesh Gandhi
Chief Financial Officer
Thane, May 29, 2023

Srikant N. Sharma
Company Secretary

Notes to the Standalone Financial Statements for the year ended March 31, 2023

1. Corporate information

Fermenta Biotech Limited (Formerly Known as DIL Limited) ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1913. Its shares are listed on Bombay Stock Exchange. The registered office of the Company is located at A- 1501, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (West) 400610. The Company is engaged in the business of manufacturing and marketing of chemicals, bulk drugs, enzymes, pharmaceutical formulations and environmental solution products and renting and sell of properties. The Company caters to both domestic and international markets. The Company also has strategic investments in subsidiaries / associate companies primarily dealing in manufacturing and marketing bulk drugs and providing services of sporting and health awareness activities / education activities.

2. Significant accounting policies

2.1 Statement of compliance

Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards)Rules, 2015 (as amended from time to time) and presentation and disclosures requirement of Division II of revised Schedule III of the Companies Act 2013, (Ind AS Compliant Schedule III), as applicable to standalone financial statement

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis, except for: (i) certain financial instruments that are measured at fair values at the end of each reporting period; and (ii) defined benefit plan – plan assets that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

(a) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, share based payment transactions that are within the scope of Ind AS 102 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

The Company has consistently applied accounting policies to all periods presented in these Standalone financial statements.

(b) Operating cycle

Based on the nature of products/activities of the Company and the normal time between acquisition of assets/liabilities and their realization/settlement in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

(c) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Company's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit prorata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(d) Foreign currencies

Foreign currency transactions

In preparing the standalone financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

(e) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Borrowing Cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

(f) Employee Benefits

i) Defined contribution plans: The Company contributes towards state governed provident fund scheme, employee state insurance scheme (ESIC) and labour welfare fund to all applicable employees and superannuation scheme for eligible employees. The Company has no further payment obligations once the contributions have been paid. Hence payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

ii) Defined benefit plan: The employees' gratuity fund scheme represents the defined benefit plan. The cost of providing benefits is determined using projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of changes to the assets (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

i) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

ii) net interest expenses or income; and

iii) remeasurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service cost.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

iii) Share-based payments:

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 59.

(a) Includes impact of market performance conditions (e.g. entity's share price)

(b) Excludes impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and

(c) Excludes the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time)

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the "Share options outstanding account".

(iv) Short term and other long term employee benefits: A liability is recognised for benefits accruing to employees

in respect of wages, salaries and bonus in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long term employee benefits are actuarially measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

(g) Income Taxes

Income Tax expense represents the sum of the tax currently payable and deferred tax.

i) Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances

ii) Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under the Income Tax Act, 1961.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognized for all the deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

Minimum Alternate Tax ('MAT') credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

iii) Presentation of current and deferred tax:

Current and deferred tax are recognized in the profit and loss, except when they relate to items that are recognised in Other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

(h) Revenue recognition

The company derives revenue primarily from sale of manufactured chemicals, bulk drugs. Enzymes, pharmaceutical formulations, environmental solutions products and rental income from investment property. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts offered by the company as part of the agreed contractual terms and excluding taxes or duties collected on behalf of the government.

Sale of Goods:

The Company recognises revenue when it transfers control of a product or service to a customer. The control of goods is transferred to the customer depending upon the incoterms or as agreed with customer or delivery basis. Control is considered to be transferred to the customer:

- when the customer has ability to direct the use of such goods and obtain substantially all the benefits from it such as following delivery,
- the customer has full discretion over the manner of distribution and price to sell the goods,
- the customer has the primary responsibility when selling the goods and bears the risks of obsolescence and loss in relation to the goods.

Recognition of revenue from contractual projects

Revenue from contractual project is recognized over time, using an input method with reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs.

The Company recognizes revenue only when it can reasonably measure its progress in satisfying the performance obligation. Until such time, the Company recognizes revenue to the extent of cost incurred, provided the Company expects to recover the costs incurred towards satisfying the performance obligation.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately when such probability is determined.

Rental income from investment in property

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Rendering of services:

Revenue from services rendered is recognised pro-rata over the period of the contract as the underlying services are performed.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

Infrastructure support services, consists of maintenance of common area in the investment property and supply of essentials. Revenue from such services are recognised in accordance with the terms of the agreement entered into with individual lessees.

Interest and dividend:

Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Interest on income tax refund is recognised on receipt of refund order.

Dividend income is recognized when the Company's right to receive payment is established which is generally when shareholders approve the dividend.

Export Incentives:

Duty free imports of raw materials under Advance License for imports as per the Import and Export Policy are matched with the exports made against the said licenses and net benefit / obligation is accounted by making suitable adjustments in raw material consumption.

The benefit under the Duty Drawback, Mercantile Export Incentive Scheme and other schemes as per the Import and Export policy in respect of exports made under the said schemes is included as 'Export Incentives' under the head "Other Operating Revenue" in the standalone statement of profit and loss and is accounted in the year of export.

(i) Property, plant and equipment (PPE)

Measurement at recognition:

Items of property, plant and equipment are stated in balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of property, plant and equipment and is recognised in profit or loss.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and capital work-in-progress) less their residual values on straight-line method over their useful lives as indicated in Part C of Schedule II of the Companies Act, 2013 and based on assessment / estimate made by management. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives of property, plant and equipment are as follows:

Assets	Estimated useful life (in years)
Buildings	30-60
Lease hold improvements (included in buildings)	5-10
Plant and equipment	5-20
Office Equipment (included in plant and equipment)	5-6
Computers (included in plant and equipment)	3-6
Furniture and fixtures	6-10
Vehicles	8

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(j) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured-initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 requirements for cost model.

Transfers to, or from, investment property shall be made when, and only when, there is a change in use, evidenced by:

(a) commencement of owner-occupation, for a transfer from investment property to owner-occupied property

(b) commencement of development with a view to sale, for a transfer from investment property to inventories

(c) end of owner-occupation, for a transfer from owner-occupied property to investment property;

(d) commencement of an operating lease to another party, for a transfer from inventories to investment property

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

The estimated useful lives of Investment property are as follows:

Assets	Estimated useful life (in years)
Building	60
Plant and equipment	15

(k) Intangible assets

(a) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. The amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from use or disposal. Any gain or loss arising from derecognition of an intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in standalone statement of profit and loss when the assets is derecognised.

(b) Internally-generated intangible assets - Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An Internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if and only if, all the below stated conditions are fulfilled:

(i) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

(ii) its intention to complete the asset and use or sell it;

(iii) its ability to use or sell the asset;

(iv) how the asset will generate probable future economic benefits;

(v) the availability of adequate resources to complete the development and to use or sell the asset; and

(vi) the ability to measure reliably the expenditure attributable to the intangible asset during development.

The amount initially recognised for internally-generated intangible assets is the sum of expenditure incurred from the date when the intangible assets first meets the recognition criteria listed above. Where no internally-generated intangible assets can be recognised, development expenditure is recognised in the standalone statement of profit and loss in the period in which incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible as intangible assets that are acquired separately.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

The estimated useful lives of intangible assets are as follows:

Assets	Estimated useful life (in years)
Computer software	3-6
Product know-how	3-5

(l) Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the assets belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for a reasonable and consistent allocation basis to be identified.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

(i) in the case of an individual asset, at the higher of the net selling price and the value in use; and

(ii) in the case of a cash generating unit (a Group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

[The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the Company suitably adjusted for risks specified to the estimated cash flows of the asset.]

For this purpose, a cash generating unit is ascertained as the smallest identifiable Group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

If recoverable amount of an asset (or a cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the statement of profit and loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or a cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the standalone statement of profit and loss.

(m) Impairment of goodwill

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Any impairment loss for goodwill is recognised directly in profit or loss and is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(n) Inventories

Inventories consisting of raw materials and packing materials, work-in-progress, stock-in-trade and finished goods are measured at the lower of cost and net realisable value. The cost of all categories of inventories is based on the weighted average method. Cost of raw materials and packing materials and stock-in-trade comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct material, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

(o) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets

Initial recognition and measurement:

All financial assets are recognised initially at fair value excluding trade receivables which is recorded at transaction cost. Transaction costs that are directly attributable to the acquisition of financial assets are added to the fair value of the financial asset on initial recognition. Transaction costs directly attributable to the acquisition of financial assets as at fair value through profit or loss are recognised immediately in profit or loss. All regular way purchases or sales of financial assets are recognised or derecognised on a trade date basis. Regular way purchases or sales of financial assets are financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories -

(1) Debt instruments at amortised cost

(2) Debt instruments at fair value through other comprehensive income (FVTOCI)

(3) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

(4) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

(1) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost, if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income of the Statement of profit and loss. The losses arising from impairment are recognised in the Statement of profit or loss.

(2) Debt instrument at FVTOCI

A 'debt instrument' is measured as at FVTOCI, if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the contractual terms of the instrument that give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

- Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognise interest income, impairment losses and reversals and foreign exchange gain or loss in the profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

(3) Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

(4) Equity Instruments

All equity Instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument including foreign exchange gain or loss, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

1) The contractual rights to receive cash flows from the asset have expired, or

2) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

   (a) The Company has transferred substantially all the risks and rewards of the asset, or

   (b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

   When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement; in that case the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial assets, and guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit adjusted effective interest rate for purchase or originated credit-impaired financial assets). The Company estimates cash flow by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if the default occurs within the 12-months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12-months.

If the Company's measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risks has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increase in credit risk since initial recognition.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

Financial liabilities and equity instruments

Classification as debts or equity:

Debts and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue cost.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities:

Initial recognition and measurement:

All financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are deducted from the fair value of the financial liabilities on initial recognition. Transaction costs directly attributable to the issue of financial liabilities as at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent measurement:

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts, issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit, or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit and loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

Gains or losses on financial guarantee contracts and loan commitments issued by the company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

Fair value is determined in the manner described in note 53A.

Financial liabilities at amortised cost:
Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities:
The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(p) Leasing

The Company as a lessee:
The Company's lease asset classes primarily consist of leases for Residential premises, Office Premises, Godown, Industrials land and Vehicle. The Company assesses whether a contract contains a lease, at inception of a contract.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets and lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

The lease payments that are not paid at the commencement date are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Also refer Note 46.

In respect of short-term leases and leases of low-value assets, the Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term of 12 months. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Ind AS 116 does not change substantially how a lessor accounts for leases. Under Ind AS 116, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. However, Ind AS 116 has changed and expanded the disclosures required, in particular with regard to how a lessor manages the risks arising from its residual interest in leased assets.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

(q) Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows when the effect of the time value of money is material.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent assets are not recognized in the financial statements of the Company. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(r) Earnings per share

The Company presents basic and diluted earnings per share data for its equity shares.

Basic earnings per share are calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the financial year. Diluted earnings per share is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

(s) Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of cash credit balances and bank overdrafts as they are considered an integral part of the Company's cash management.

(t) Operating segments:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments of the Company and accordingly is identified as the chief operating decision maker.

(u) Dividends

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(v) Use of estimates and judgements

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Fair value measurement of financial instruments:

When the fair values of financials assets and financial liabilities recorded in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques which involve various judgements and assumptions.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

Useful lives of property, plant and equipment, investment property and intangible assets:

Property, plant and equipment, investment property and intangible assets represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation and amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time when the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

Assets and obligations relating to employee benefits:

The employment benefit obligations depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/ (income) include the discount rate, inflation and mortality assumptions. Any changes in these assumptions will impact upon the carrying amount of employment benefit obligations.

Tax expense: [refer note 2(g) and note 48]

The Company's tax jurisdiction is India. Significant judgements are involved in determining the provision for income taxes, if any, including amount expected to be paid/recovered for uncertain tax positions. Further, significant judgement is exercised to ascertain amount of deferred tax asset (DTA) that could be recognised based on the probability that future taxable profits will be available against which DTA can be utilized and amount of temporary difference in which DTA cannot be recognised on want of probable taxable profits.

Minimum Alternate Tax ('MAT') credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists

Valuation of investment property [refer note 58]

Impairment of tangible and intangible assets other than goodwill [refer note 2(l)]

Impairment of Goodwill [refer note 2(m)]

Provisions: [refer note 2(q)]

Write down in value of inventories: (refer note 15)

Estimation of uncertainty relating to COVID-19 global health pandemic – (refer note 64)

Notes to the Standalone Financial Statements for the year ended March 31, 2023

3. Property, plant and equipment

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Leasehold Improvements	Total
At cost or deemed cost as at April 01, 2021	**34.30**	**5,649.51**	**12,848.01**	**489.62**	**440.72**	**447.51**	**19,909.67**
Additions	-	1,364.73	3,770.97	160.84	301.52	51.05	5,649.11
Disposals	-	-	(16.80)	(2.81)	(7.52)	-	(27.13)
Balance as at March 31, 2022	**34.30**	**7,014.24**	**16,602.18**	**647.65**	**734.72**	**498.56**	**25,531.65**
Additions	-	163.66	742.60	73.07	324.67	1,617.83	2,921.83
Disposals	-	-	(172.40)	(14.64)	(17.29)	-	(204.33)
Balance as at March 31, 2023	**34.30**	**7,177.90**	**17,172.38**	**706.08**	**1,042.10**	**2,116.39**	**28,249.15**
Accumulated depreciation							
As at April 01, 2021	**-**	**879.55**	**3,111.80**	**243.33**	**156.02**	**143.32**	**4,534.02**
Depreciation expense	-	277.36	1,159.71	89.33	62.71	77.02	1,666.13
Disposals	-	-	(5.71)	(2.81)	(6.85)	-	(15.37)
Balance as at March 31, 2022	**-**	**1,156.91**	**4,265.80**	**329.85**	**211.88**	**220.34**	**6,184.78**
Depreciation expense	-	287.04	1,166.77	91.28	96.58	106.41	1,748.08
Disposals	-	-	(139.10)	(14.59)	(14.97)	-	(168.66)
Balance as at March 31, 2023	**-**	**1,443.95**	**5,293.47**	**406.54**	**293.49**	**326.75**	**7,764.20**
Carrying amount							
As at March 31, 2022	**34.30**	**5,857.33**	**12,336.38**	**317.80**	**522.84**	**278.22**	**19,346.87**
As at March 31, 2023	**34.30**	**5,733.95**	**11,878.91**	**299.54**	**748.61**	**1,789.64**	**20,484.95**

(Refer Notes 24 and 28 - For details of assets pledged as security)

4. Capital work-in-progress

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Project in progress	4,190.25	2,989.35
Projects temporarily suspended	-	-
Total	**4,190.25**	**2,989.35**

(Refer Notes 24 and 28- For details of assets pledged as security)

Movement of Capital work-in-progress

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Opening Balance	2,989.35	5,270.11
Addition during the year	4,122.73	3,368.35
Capitalised during the year	(2,921.83)	(5,649.11)
Total	**4,190.25**	**2,989.35**

Ageing of Capital work-in-progress :

(₹ in Lakhs)

Capital work-in-progress	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Balance as at March 31, 2022					
Project in progress	2,664.76	193.47	131.12	-	2,989.35
Balance as at March 31, 2023					
Project in progress	2,910.47	1,272.78	7.00	-	4,190.25

Notes to the Standalone Financial Statements for the year ended March 31, 2023

4. Capital work-in-progress (Contd.)

CWIP completion schedule for project overdue or has exceeded its cost: as at March 31, 2023 (₹ in Lakhs)

Project overdue / Cost over run	To be completed in				
Capital work-in-progress	**Less than 1 Year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Premix Plant	3,997.54	-	-	-	3,997.54
Capacity enhancement of Biotech Plant at Kullu Plant	41.03	-	-	-	41.03
AD 2 Project	14.30	-	-	-	14.30
Total	**4,052.87**	**-**	**-**	**-**	**4,052.87**

Projects cost consists of Civil structural, Mechanical, Fabrication work, related equipments of Productions, HVAC System, Fire protection etc and other direct cost.

CWIP completion schedule for project overdue or has exceeded its cost: as at March 31, 2022 (₹ in Lakhs)

Project overdue / Cost over run	To be completed in				
Capital work-in-progress	**Less than 1 Year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Capacity enhancement of Biotech Plant at Kullu Plant	137.81	-	-	-	137.81
Modification of existing Admin office and expansion of ground floor at Dahej plant	119.04	-	-	-	119.04
Others	9.32				9.32
Total	**266.17**	**-**	**-**	**-**	**266.17**

Projects cost consists of Civil structural, Mechanical, Fabrication work, related equipments of Productions etc and other direct cost.

5 Right-of-use Assets

(₹ in Lakhs)

Particulars	Leasehold land	Buildings	Vehicles	Total
At cost as at April 01, 2021	**1,055.85**	**560.23**	**166.21**	**1,782.29**
Additions	-	272.17	-	272.17
Disposals	-	-	-	-
Balance as at March 31, 2022	**1,055.85**	**832.40**	**166.21**	**2,054.46**
Additions	-	-	-	-
Disposals	-	(92.90)	(166.21)	(259.11)
Balance as at March 31, 2023	**1,055.85**	**739.50**	**-**	**1,795.35**
Accumulated depreciation				
As at April 01, 2021	36.71	169.17	104.59	310.47
Depreciation expense	18.33	106.82	47.57	172.72
Disposals	-	-	-	-
Balance as at March 31, 2022	**55.04**	**275.99**	**152.16**	**483.19**
Depreciation expense	18.33	103.23	14.05	135.61
Disposals	-	-	(166.21)	(166.21)
Balance as at March 31, 2023	**73.37**	**379.22**	**-**	**452.59**
Carrying amount				
As at March 31, 2022	**1,000.81**	**556.41**	**14.05**	**1,571.27**
As at March 31, 2023	**982.48**	**360.28**	**-**	**1,342.76**

(Refer Notes 24 and 28- For details of assets pledged as security)

(Refer Note 46 - Leases)

Notes to the Standalone Financial Statements for the year ended March 31, 2023

6 Investment property

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and equipment	Total
At cost or deemed cost as at April 01, 2021	**20.79**	**6,033.19**	**2,039.74**	**8,093.72**
Additions	-	140.89	-	140.89
Balance as at March 31, 2022	**20.79**	**6,174.08**	**2,039.74**	**8,234.61**
Additions	-	-	-	-
Disposal	-	(3,421.67)	(1,170.90)	(4,592.57)
Balance as at March 31, 2023	**20.79**	**2,752.41**	**868.84**	**3,642.04**
Accumulated depreciation				
As at April 01, 2021	**-**	**615.09**	**658.34**	**1,273.43**
Depreciation expense	-	150.71	131.84	282.55
Balance as at March 31, 2022	**-**	**765.80**	**790.18**	**1,555.98**
Depreciation expense	-	124.86	134.01	258.87
Disposal	-	(476.98)	(518.75)	(995.73)
Balance as at March 31, 2023	**-**	**413.68**	**405.44**	**819.12**
Carrying amount				
As at March 31, 2022	**20.79**	**5,408.28**	**1,249.56**	**6,678.63**
As at March 31, 2023	**20.79**	**2,338.73**	**463.40**	**2,822.92**

Refer notes 24 and 28 - For details of assets pledged as security

(Refer Note 58 and 61)

Title deeds of immovable property not held in the name of the company ;

Relevant line item in the Balance Sheet	Description of item of property	Gross Value of property (₹ in lakhs)	Title deed held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Investment property	Freehold land located at Village Takwe (Budruk), Tal – Maval District – Pune admeasuring 21.39 Acres	8.06	Mr. Krishna Datla "held in trust"on behalf of the Company	Executive Vice- Chairman	Various date from December 27, 1992 to July 04, 1995	The plot of land is an agricultural land lying in the industrial zone and is required to registered in individual names.
			Ms. Rajeshwari Datla "held in trust" on behalf of the Company	Non-Executive Director (relative of Executive Vice- Chairman)	Various date from December 27, 1992 to July 04, 1995	The plot of land is an agricultural land lying in the industrial zone and is required to registered in individual names.

Note: During the year the Company, Mr. Krishna Datla and Ms. Rajeshwari Datla on behalf of the Company entered in to "Memorandum of Understanding" to Sell Freehold land located at Village Takwe (Budruk), Tal – Maval District – Pune admeasuring 21.39 Acres, with M/s. D1 Enterprises (as the Proposed Assignor) to and in favour of Nipro Pharmapackaging India Private Limited (as the proposed purchaser) of said land. The Company has received advance of ₹841.50 lakhs (net of tax).

Note 6A. - Goodwill

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Deemed cost	532.65	532.65
Accumulated impairment losses	(121.00)	(121.00)
Total	**411.65**	**411.65**

The amount of goodwill recognised is persuant to shares acquisition by the Company of its subsidiary in the earlier years.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

Note 6A. - Goodwill (Contd.)

The company performs annual impairment assessment of goodwill to determine whether recoverable value is below the carrying value as at March 31, 2023. The Company performed its impairment test for the year ended March 31, 2023. For this purpose, the recoverable value of the cash generating unit is based on the value of in-use model, which has been derived from discounted cash flow model. The model requires the Company to make significant assumptions such as discount rate, near and long term revenue growth rate and projected margins which involves inherent uncertainty since they are based on future business prospects and economic outlook.The post-tax discount rate is applied to cash flow projections. Based on this analysis, there is no impairment charge as at March 31, 2023

7 Other Intangible assets

(₹ in Lakhs)

Particulars	Computer software	Product know -how	Total
At cost or deemed cost as at April 01, 2021	**352.94**	**950.87**	**1,303.81**
Additions	36.52	-	36.52
Balance as at March 31, 2022	**389.46**	**950.87**	**1,340.33**
Additions	6.07	377.71	383.78
Balance as at March 31, 2023	**395.53**	**1,328.58**	**1,724.11**
Accumulated amortisation			
As at April 01, 2021	**236.00**	**190.37**	**426.37**
Amortisation expense	67.78	178.23	246.01
Balance as at March 31, 2022	**303.78**	**368.60**	**672.38**
Amortisation expense	46.42	262.41	308.83
Balance as at March 31, 2023	**350.20**	**631.01**	**981.21**
Carrying amount			
As at March 31, 2022	**85.68**	**582.27**	**667.95**
As at March 31, 2023	**45.33**	**697.57**	**742.90**

8 Intangible assets under development

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Project in progress	311.96	467.16
Projects temporarily suspended	-	-
Total	**311.96**	**467.16**

Movement of Intangible assets under development

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Opening Balance	467.16	420.55
Addition during the year	228.58	83.12
Capitalised during the year	(383.78)	(36.51)
Total	**311.96**	**467.16**

Ageing of Intangible assets under development :

(₹ in Lakhs)

Intangible assets under development	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Balance as at March 31, 2022					
Project in progress	64.00	142.59	260.57	-	467.16
Balance as at March 31, 2023					
Project in progress	2.56	2.50	142.59	164.31	311.96

Notes to the Standalone Financial Statements for the year ended March 31, 2023

8 Intangible assets under development (Contd.)

Intangible assets under development completion schedule for project overdue or has exceeded its cost: as at March 31, 2023

(₹ in Lakhs)

Project overdue / Cost over run	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Penicillin G acylases	91.78	-	-	-	91.78
Phyto to stegma sterol	68.94	-	-	-	68.94
Calcifidiol	58.90	-	-	-	58.90
25-OH	26.15	-	-	-	26.15
4HBCBiotech	23.08	-	-	-	23.08
Others	38.05	-	-	-	38.05
Total	306.89	-	-	-	306.89

Projects cost consists of Stores and spare parts consumed, other direct cost and consulting cost.

9 A Investments in subsidiaries - in equity instruments unquoted (Fully paid up) (At cost less impairment in the value of investments, if any)

(₹ in Lakhs)

		March 31, 2023	March 31, 2022
a)	G. I. Biotech Private Limited #	0.88	0.63
	10,000 Equity shares of ₹10/- each. (as at March 31, 2022: 6,250 Equity shares of ₹10/- each)		
	Less: Impairment in the value of investment	(0.88)	-
		-	**0.63**
b)	Fermenta Biotech (UK) Limited	183.99	183.99
	220,001 Equity Shares of G.B.Pound 1/- each. (as at March 31, 2022: 220,001 Shares of G.B.Pound 1/- each)		
	Less: Impairment in the value of investment	(148.65)	(148.65)
		35.34	**35.34**
c)	Aegean Properties Limited	**30.00**	**30.00**
	30,000 Equity shares of ₹100/- each (as at March 31, 2022: 30,000 Equity shares of ₹100/- each)		
d)	Fermenta Biotech GmbH	831.21	19.33
	1,000,000 Equity shares of Euro 1/- each. (as at March 31, 2022:25,000 Equity shares of Euro 1/- each)		
	Less: Impairment in the value of investment (Refer note 67)	(831.21)	-
		-	**19.33**
e)	Fermenta Biotech USA LLC	**1,184.72**	**1,184.72**
	Contribution towards membership interest USD 1,600,000 (as at March 31, 2022: Contribution towards membership interest USD 1,600,000)		
		1,250.06	**1,270.02**
	Aggregate amount of unquoted investments before impairment	**2,230.80**	**1,418.67**
	Aggregate amount of impairment in value of investments	**980.74**	**148.65**

#Application for strike off of G. I. Biotech Private Limited was made to Ministry Of Corporate Affairs on February 14, 2023, however the status is 'Under Process of Striking off'" as at March 31, 2023

Notes to the Standalone Financial Statements for the year ended March 31, 2023

9 B Investment in associate - In equity instruments Unquoted (Fully paid up)
(At cost less impairment in value of investments, if any)

(₹ in Lakhs)

Health and Wellness India Private Limited	March 31, 2023	March 31, 2022
30,12,504 Equity shares of ₹10/- each (as at March 31, 2022 - 30,12,504 Equity shares of ₹10/- each)	475.00	
Less: Impairment in the value of investment	(475.00)	475.00
		(475.00)
	-	-
Aggregate amount of unquoted investments before impairment.	**475.00**	475.00
Aggregate amount of impairment in value of investments.	**475.00**	475.00

9 C Investments (non-current)

(₹ in Lakhs)

		March 31, 2023	March 31, 2022
	Investment in other entities - In equity instruments:		
(i)	**Unquoted Investments (all fully paid up)**		
	Investments in equity instruments at FVTOCI		
	Shivalik Solid Waste Management Limited	4.11	4.11
	20,000 Equity shares of ₹ 10/- each. (as at March 31, 2022: 20,000 Equity shares of ₹10/- each)		
	Zela Wellness Private Limited	126.52	126.52
	58,048 Equity shares of ₹ 10/- each. (as at March 31, 2022: 58,048 Equity shares of ₹10/- each)		
	Less: Impairment in the value of investment	(126.52)	(126.52)
		-	-
	Total aggregate unquoted investments (A)	**4.11**	**4.11**
(ii)	**Quoted Investment (all fully paid)**		
	Investment in equity instruments at FVTOCI		
	Abbott India Limited	30.70	24.60
	139 Equity shares of ₹10/- each. (as at March 31, 2022: 139 Equity shares of ₹10/- each)		
	Total aggregate quoted investments (B)	**30.70**	**24.60**
	Total Non-current investments (A+B)	**34.81**	**28.71**
	Aggregate carrying value of unquoted investments before impairment	130.63	130.63
	Aggregate amount of quoted investments and market value thereof	30.70	24.60
	Aggregate amount of impairment in value of investments	126.52	126.52

10 Share application money

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Health and Wellness India Private Limited	309.86	309.86
Less: Impairment in the value of share application money	(309.86)	(309.86)
Total	-	-

Notes to the Standalone Financial Statements for the year ended March 31, 2023

11 Loans (Non-current)

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Loan to employees, - unsecured (considered good)	17.50	0.85
Inter corporate deposit - unsecured (considered doubtful) (Refer note 42)	37.00	37.00
Less : Allowance for doubtful inter corporate deposit	(37.00)	(37.00)
Loan to a subsidiary - unsecured (considered good)* (Refer note 42)	698.33	642.26
Total	**715.83**	**643.11**

* Loan given to Fermenta Biotech USA LLC amounting to USD 850 lakhs at 5% p.a. for period of 140 months for business purposes.

(₹ in Lakhs)

Movement in the Allowances	March 31, 2023	March 31, 2022
Balance at the beginning of the year	37.00	37.00
Addition during the year	-	-
Written back during the year	-	-
Written off during the year	-	-
Balance at the end of the year	**37.00**	**37.00**

As at March 31, 2023

(₹ in Lakhs)

	All Parties	Promoters	Related Parties
Related Parties			
Aggregate of loans/advances in nature of loans	-	-	-
- Repayable on demand (A)	2,234.08	-	1,206.94
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total	**2,234.08***		**1,206.94**
"Percentage of loans / advances in the nature of loans to the total loans [(including loans (current) of ₹102.50 Lakhs , ₹907.14 Lakhs (Refer Note 21 and Note 19)] and expenses recoverable from related parties.			54.02%

As at March 31, 2022

(₹ in Lakhs)

	All Parties	Promoters	Related Parties
Related Parties			
Aggregate of loans/advances in nature of loans	-	-	-
- Repayable on demand (A)	2258.38	-	1,148.70
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total	**2,258.38***		**1,148.70**
Percentage of loans / advances in the nature of loans to the total loans [(including loans (current) of ₹1.50 Lakhs, ₹1107.34 Lakhs (Refer Note 21 and Note 19)] and expenses recoverable from related parties			54.02%

* The amounts reported are at gross amounts, without considering provisions made.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

11 Loans (Non-current)

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Amount outstanding as at year end		
Health and Wellness India Private Limited - (Associate) (Refer note 11)	37.00	37.00
Fermenta Biotech USA LLC - (wholly owned subsidiary) (Refer note 11)	698.33	642.26
Inter Gest Germany GmbH - (Others) (Refer note 21)	907.14	1,107.34
D.K.Biopharma Private Limited - (Others) (Refer note 19)	100.00	-
Expenses recoverable from related parties (Refer note 20)	471.61	469.44
Maximum amount outstanding during the year		
Health and Wellness India Private Limited - (Associate)	37.00	37.00
Fermenta Biotech USA LLC - (wholly owned subsidiary)	698.33	642.26
Inter Gest Germany GmbH- (Others)	1,107.34	1,107.34
D.K.Biopharma Private Limited - (Others)	100.00	-
Expenses recoverable from related parties	471.61	469.44

12 Other financial assets (Non-current)

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Security deposits - unsecured (considered good)	230.97	46.66
Bank deposits with remaining maturity of more than 12 months*	1,675.21	299.30
Deposits with a financial institution with remaining maturity of more than 12 months #	-	250.93
Interest accrued but not due from banks - unsecured (considered good)	52.08	9.91
Interest accrued but not due from a financial institution - unsecured (considered good)	-	11.37
Others	145.99	50.99
Total	**2,104.25**	**669.16**
# Fixed deposits placed with Bajaj Finance Limited	-	250.93
*Deposits held under lien by bank against guarantees, letter of credit and against secured short term overdraft with Union Bank of India	1,674.22	89.62

13 Non-current tax assets (net)

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Advance income-tax (net of provision for tax ₹ 1,545.37 lakhs [as at March 31, 2022 ₹6,167.99 lakhs])	996.79	1316.57
Total	**966.79**	**1316.57**

Notes to the Standalone Financial Statements for the year ended March 31, 2023

14 Other assets (Non-current)

(₹ in Lakhs)

Capital advances	March 31, 2023	March 31, 2022
Considered good (unsecured)	104.75	336.63
Considered doubtful (unsecured)	44.21	23.21
Less: Allowance for considered doubtful (unsecured)	(44.21)	(23.21)
Deferred rent	-	1.57
Balance with government authorities – considered good	3.75	3.75
Prepaid expenses	527.87	8.36
Total	**636.37**	**350.31**

15 Inventories

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
(At lower of cost and net realisable value)		
Raw materials and packing materials (includes stock in transit of ₹121.25 Lakhs) (as at March 31, 2022: ₹10.51 Lakhs)	4,605.04	4,616.06
Work-in-progress (includes stock in transit of ₹ Nil) (as at March 31, 2022: ₹43.27 Lakhs)	3,416.81	6,065.47
Finished goods (includes stock in transit of ₹ Nil) (as at March 31, 2022: ₹23.70 Lakhs)	2,178.79	1,258.65
Stores and spares (includes stock in transit of ₹ Nil) (as at March 31, 2022: ₹4.04 Lakhs)	774.19	1,017.77
Total	**10,974.83**	**12,957.95**

Notes :

(i) Inventory write downs are accounted considering the nature of inventory, ageing, liquidation plan and net realisable value. Write downs of inventories amounted to ₹2,212.35 Lakhs. The changes in write downs are recognised as an expense in the Standalone statement of profit and loss amounting to ₹271.81 Lakhs (as at March 31, 2022: ₹97.20 Lakhs) and ₹1,940.54 Lakhs considered as Exceptional Items (as at March 31, 2022: Nil)

(ii) Inventories have been hypothecated as security against certain bank borrowings, details relating to which has been described in note 24 and note 28.

(iii) During the year ended 31 March 2023, ₹43.81 Lakhs (31 March 2022: ₹2.18 Lakhs) was recognised as an expense for inventories carried at net realisable value.

16 Trade receivables (unsecured)

(₹ in Lakhs)

	March 31, 2023		March 31, 2022	
	Non-current	Current	Non-current	Current
Undisputed Trade receivables – considered good	1,796.01	6,741.20	-	11,782.62
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-
Undisputed Trade Receivables – credit impaired	1,815.81	429.70	-	421.31
Disputed Trade Receivables – considered good	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-
Disputed Trade Receivables – credit Impaired	-	-	-	-
Less : Allowance for credit impaired Trade Receivables (Refer note 67)	(1,815.81)	(429.70)	-	(421.31)
Total	**1,796.01**	**6,741.20**	**-**	**11,782.62**

Notes to the Standalone Financial Statements for the year ended March 31, 2023

16 Trade receivables (unsecured) (Contd.)

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Movement in the expected credit loss allowance		
Balance at the beginning of the year	421.31	481.24
Addition during the year (Refer note 67)	1,844.39	32.85
Written off during the year	-	-
Reversal during the year	(20.20)	(92.78)
Balance at the end of the year	**2,245.50**	**421.31**

Trade receivables are carried at amortised cost.

Trade receivables are non-interest bearing and generally on terms of 60-90 Days.

No trade and other receivables are due from directors or other officer of the Company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which director is a partner, a director or member (Refer note 42)

For explanation on the credit risk management process (Refer note 56).

Ageing of trade receivables :as at March 31, 2023

(₹ in Lakhs)

Particulars	Outstanding for the following period from due date of payments						
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	7,195.93	2,631.08	428.94	91.71	5.37	-	10,353.03
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired	-	-	-	18.31	20.17	391.21	429.69
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit Impaired	-	-	-	-	-	-	-
Total	**7,195.93**	**2,631.08**	**428.94**	**110.02**	**25.54**	**391.21**	**10,782.72**

There are no unbilled receivables as on balance sheet date.

Ageing of trade receivables : as at March 31, 2022

(₹ in Lakhs)

Particulars	Outstanding for the following period from due date of payments						
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	8,078.46	2,822.10	266.77	25.48	589.81	-	11,782.62
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	13.72	77.69	329.90	421.31
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit Impaired	-	-	-	-	-	-	-
Total	**8,078.46**	**2,822.10**	**266.77**	**39.20**	**667.50**	**329.90**	**12,203.93**

There are no unbilled receivables as on balance sheet date.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

17 Cash and cash equivalents

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Balances with banks		
In current accounts	3,184.16	898.77
In deposit accounts with original maturity for less than 3 months	12.52	113.40
Cash on hand	4.38	7.05
Total	**3,201.06**	**1,019.22**

18 Bank balances other than cash and cash equivalents

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Balances with banks		
In Unpaid Dividend accounts	15.21	14.11
In escrow account	38.38	1.32
In deposit accounts with original maturity for more than 3 months but less than 12 months*	2,250.16	2,039.88
Total	**2,303.75**	**2,055.31**

*This includes deposits held under lien by bank against guarantees and letter of credit amounting to ₹65.51 Lakhs (as at March 31, 2022: ₹776.17 Lakhs)

19 Loans (Current)

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Unsecured, considered good		
Inter corporate deposit		
D.K.Biopharma Private Limited #	100.00	-
Loans to employees	2.50	1.50
Total	**102.50**	**1.50**

The inter-corporate deposits amounting to ₹ 100.00 Lakhs were granted to the entity @ 9% p.a. for the purpose of its business

20 Other financial assets (Current)

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Interest accrued but not due		
On fixed deposits from banks	16.80	16.40
On Inter corporate deposits	2.79	-
Expenses recoverable from related parties #- (Refer note 42)	471.61	469.44
Less: Allowance for doubtful recoverable (Refer note 11)	(464.22)	-
Interest receivable from a subsidiary (Refer note 42)	44.11	10.03
Others		
Unsecured, considered good	14.08	11.31
Total	**85.17**	**507.18**

Expenses recoverable are incurred on behalf of subsidiary Fermenta Biotech Gmbh and Fermenta Biotech USA LLC.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

21 Other current assets

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Advance for supply of goods and services		
Considered good	101.82	1,384.29
Considered doubtful	913.42	6.28
Less: Allowance for doubtful advances (Refer note 67)	(913.42)	(6.28)
Deferred Rent	46.26	44.58
Prepaid expenses	220.21	239.65
Travel advances to employees	40.82	5.85
Export incentive receivables		
Considered good	15.47	773.90
Considered doubtful	-	3.24
Less: Allowance for doubtful export incentive receivables	-	(3.24)
Balances with government authorities	847.28	752.70
Others	44.65	-
Total	**1,316.51**	**3,200.97**
Movement in the Allowance for doubtful advances and export incentive receivables.		
Balance at the beginning of the year	9.52	15.23
Addition during the year	907.14	-
Written off during the year	-	-
Reversal during the year	(3.24)	(5.71)
Balance at the end of the year	**913.42**	**9.52**

22 Equity share capital

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Authorised		
498,40,000 Equity shares of ₹5/- each (as at March 31, 2022 - 498,40,000 Equity shares of ₹ 5/- each)	2,492.00	2,492.00
1,60,000 Unclassified shares of ₹5/- each (as at March 31, 2022 - 1,60,000 Unclassified shares of ₹5/- each)	8.00	8.00
	2,500.00	**2,500.00**
Issued, subscribed and fully paid-up		
29,430,987 Equity shares of ₹5/- each (as at March 31, 2022 - 29,430,987 Equity shares of ₹5/- each)	1,471.55	1,471.55
Less: 5,73,684 Equity shares held by FBL ESOP Trust (as at March 31, 2022 - 5,83,665 Equity shares held by FBL ESOP Trust) [Refer note (e) below]	(28.68)	(29.18)
	1,442.87	**1,442.37**

(a) Reconciliation of shares outstanding at the beginning and at the end of the year

(₹ in Lakhs)

	March 31, 2023		March 31, 2022	
	No of Equity Shares	₹ In Lakhs	No of Equity Shares	₹ In Lakhs
At the beginning of the year	2,88,47,322	1,442.37	2,88,47,322	1,442.37
Issued during the year	9,981	0.50	-	-
At the end of the year	2,88,57,303	1,442.87	2,88,47,322	1,442.37

Notes to the Standalone Financial Statements for the year ended March 31, 2023

22 Equity share capital (Contd.)

(b) Details of shareholders holding more than 5% equity shares in the Company

(₹ in Lakhs)

Name of the shareholders	March 31, 2023		March 31, 2022	
	No of Equity Shares	% Holding	No of Equity Shares	% Holding
DVK Investments Private Limited, the Holding Company	1,50,75,318	51.22%	1,50,75,318	51.22%
Mr. Krishna Datla	24,61,074	8.36%	24,61,074	8.36%

(c) Shares held by Holding Company

Out of the equity shares issued by the Company, shares held by its Holding Company are as below: (₹ in Lakhs)

Name of the shareholders	March 31, 2023		March 31, 2022	
	No of Equity Shares	% Holding	No of Equity Shares	% Holding
DVK Investments Private Limited, the Holding Company	1,50,75,318	51.22%	1,50,75,318	51.22%

(d) Rights, preferences and restrictions

The Company has issued only one class of equity shares having par value of ₹5/- per share (March 31, 2022; - ₹5/- per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays the dividend in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to shareholders' approval in the ensuing Annual General Meeting, except in case of interim dividend.

During the year, the Board of directors have declared dividend of 25% (₹1.25 per equity share of ₹5/- each) for the financial year 2022-23. (Refer note 57)

During the previous year, the Board of directors had declared an interim dividend of 25% (₹1.25 per equity share of ₹5/- each) for the financial year 2021-22 which has been paid during the year 2022-23. (Refer note 57)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

(e) FBL ESOP Trust :

The Company had formulated Employee Stock Option Scheme namely Fermenta Biotech Limited - Employee Stock Option 2019 (ESOP 2019) in terms of the Scheme of amalgamation of erstwhile Fermenta Biotech Limited with the Company. The equity shares are held by FBL ESOP Trust (Refer note 59).

	March 31, 2023 No. of Equity Shares	March 31, 2022 No. of Equity Shares
Outstanding at the beginning of the year	5,83,665	5,83,665
Issue of shares pursuant to exercise of Employee Stock Option	(9,981)	-
Outstanding at the end of the year	5,73,684	5,83,665

(f) Details of Shares held by promoters at the end of the year

Name of promoters	March 31, 2023			March 31, 2022		
	No. of Equity Shares	% Holding	% Change during the year	No. of Equity Shares	% Holding	% Change during the year
DVK Investments Private Limited, the Holding Company	1,50,75,318	51.22%	-	1,50,75,318	51.22%	-
Mr. Krishna Datla	24,61,074	8.36%	-	24,61,074	8.36%	-

Notes to the Standalone Financial Statements for the year ended March 31, 2023

23 Other equity

(₹ in Lakhs)

	Reserves and Surplus								Items of other comprehensive income	Total
	Unrealised (loss) on dilution	Capital redemption reserve	Capital reserve pursuant to amalgamation	Capital reserve	Securities premium	General reserve	Share options outstanding account	Retained earnings	Equity instruments through OCI	
Balance as at April 01, 2021	**(4,242.23)**	**70.00**	**1,074.20**	**1,140.00**	**-**	**3,545.80**	**1,199.54**	**32,792.62**	**22.52**	**35,602.45**
Profit for the year	-	-	-	-	-	-	-	3,023.73	-	3,023.73
Payment of dividend (gross)								(721.18)		(721.18)
Recognition of share based payments	-	-	-	-	-	-	269.65	-	-	269.65
Other comprehensive income for the year	-	-	-	-	-	-	-	(23.60)	3.77	(19.83)
Balance as at March 31, 2022	**(4,242.23)**	**70.00**	**1,074.20**	**1,140.00**	**-**	**3,545.80**	**1,469.19**	**35,071.57**	**26.29**	**38,154.82**
Profit for the year	-	-	-	-	-	-	-	(5,753.27)	-	(5,753.27)
Transfer to equity share capital on excerise of options					42.09		(42.09)	-	-	-
Premium on issue of equity share on stock option excerise	-	-	-	-	7.85	-	-	-	-	7.85
Payment of dividend (gross)	-	-	-	-	-	-	-	(360.59)	-	(360.59)
Recognition of share based payments	-	-	-	-	-	-	(101.85)	-	-	(101.85)
Other comprehensive income for the year	-	-	-	-	-	-	-	11.16	6.10	17.26
Balance as at March 31, 2023	**(4,242.23)**	**70.00**	**1,074.20**	**1,140.00**	**49.94**	**3,545.80**	**1,325.25**	**28,968.87**	**32.39**	**31,964.22**

Description of nature and purpose of each reserve

Unrealised gain/(loss) on dilution: This reserve represents unrealised gain/(loss) due to change in the shareholdings in a subsidiary.

Capital redemption reserve : This reserve was created for redemption of preference shares of ₹70.00 lakhs in the financial year 2010-2011.

Capital reserve pursuant to amalgamation : This reserve created consequent to amalgamation of a subsidiary with the Company.

Capital reserve: Capital reserve was created in the financial years 1995-96 and 1996-97 pursuant to sale of the Company's brands for which non compete fees were received and treated as a capital receipt.

General reserve: Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Securities premium: The amount received in excess of face value of the equity shares is recognised in securities premium. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013.

Share options outstanding account : The fair value of the equity settled share based payment transactions is recognised to share options outstanding account.

Retained earnings: Retained earnings are the profits/(loss) that the company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

Equity instruments through other comprehensive income: This represents the cumulative gains / losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

24 Borrowings

(₹ in Lakhs)

	March 31, 2023		March 31, 2022	
	Non-current	Current	Non-current	Current
Secured				
Term Loans				
From Banks				
For Kullu facility [Refer note below (a)]	2,613.15	653.29	462.54	15.95
For Dahej facility [Refer note below (b)]	-	431.28	407.20	487.99
For Dahej facility [Refer note below (c)]	833.69	561.17	1,394.53	561.51
For Dahej facility [Refer note below (d)]	87.83	666.28	727.61	701.68
For Vehicles [Refer note below (e)]	390.78	127.07	264.52	72.82
For WCTL [Refer note below (f)]	1,558.33	141.67	1,700.00	-
For Dahej facility [Refer note below (g)]	135.72	27.14	162.86	27.14
From others				
For business operations [Refer note below (h)]	-	-	2,961.23	-
For business operations [Refer note below (i)]	2,734.46	572.08	3,387.76	531.75
	8,353.96	**3,179.98**	**11,468.25**	**2,398.84**
Amount disclosed under the head "Borrowings (Current)" (Refer note 28)	-	(3,179.98)	-	(2,398.84)
Total	**8,353.96**	**-**	**11,468.25**	**-**

Notes

a) Term loan is taken from HDFC Bank Limited for financing the capital expenditure for Premix Plant to be set up at Kullu with interest rate EURIBOR plus 3.0% (Average effective rate 4.36%), (previous year effective rate is 3%) repayable in 60 equal monthly instalments starting from Feb-2023. The said loan is secured by first pari-passu charge on the project , first pari pasu charge on property, plant and equipment at Dahej and Kullu except plant 3 at Dahej which is exclusively mortgaged with Yes Bank Limited and Union Bank of India, and second pari passu charge on entire current assets along with other banks.

b) Term loan (External Commercial Borrowing) is taken from Yes Bank Limited for financing the capital expenditure for new project at Dahej SEZ with interest rate EURIBOR plus 3.5% (Average effective rate 6.38%), (previous year effective rate is 3.5%) repayable in 48 equal monthly instalments starting from February 2020. The said ECB loan is secured by way of first pari-passu charge on the project financed along with Union Bank of India, first pari-passu charge along with Union Bank of India and HDFC Bank Limited on property, plant and equipment at Kullu and Dahej, except Plant 4 at Dahej and Premix Plant at Kullu which is exclusively mortgaged with HDFC Bank Limited and Plant 3 which is funded by Union Bank of India and Yes Bank Limited , which is not to be shared with HDFC Bank Limited. The said loan is additionally secured by way of first pari passu charge along with Union Bank of India and HDFC Bank Limited on entire unencumbered movable fixed assets (excluding vehicles) and second pari passu charge on entire current assets.

c) Term loan is taken from HDFC Bank Limited for financing the capital expenditure for Plant 4 at Dahej SEZ with interest rate EURIBOR plus 3.9% (effective rate 3.9%), (previous year effective rate is 3.9%) repayable in 16 equal quarterly instalments starting from July 2021. The said loan is secured by first pari-passu charge on the project , first pari pasu charge on property, plant and equipment at Dahej and Kullu except plant 3 at Dahej which is exclusively mortgaged with Yes Bank Limited and Union Bank of India, and second pari passu charge on entire current assets along with other banks.

d) Term loan (Foreign Currency Term Loan and INR Term Loan) is taken from Union Bank of India for financing the capital expenditure for new project at Dahej SEZ with interest rate EURIBOR plus 3.10% (effective rate 5.50%) (previous year effective rate is 3.10%) for FCTL, MCLR + 2% (effective rate 9.96% to 10.34%) (previous year effective rate is 9.43% to 10.48%) for Rupee Term Loan repayable in 48 equal monthly instalments starting from April 2020. The said loan is secured by way of first pari-passu charge on the project financed along with Yes Bank Limited not to be shared with HDFC Bank Limited, first pari-passu charge along with Yes Bank Limited and HDFC Bank Limited on property, plant and equipment at Kullu and Dahej, except Plant 4 at Dahej and Premix Plant at Kullu which is exclusively mortgaged with HDFC Bank Limited. The said loan is additionally secured by way of first pari passu charge along with Yes Bank and HDFC bank on entire unencumbered movable fixed assets (excluding vehicles) and second pari passu charge on entire current assets.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

24 Borrowings

e) Vehicle loan is taken from the HDFC Bank Limited against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Aug-2020 with interest rates 8.20%, (previous year at 7.35%).

Vehicle loan is taken from the HDFC Bank Limited against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Sep-2021 with interest rates 7.65%, (previous year 7.65%).

Vehicle loan is taken from the HDFC Bank Limited against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from July-2021 with interest rates 7.65%, (previous year 7.65%).

Vehicle loan is taken from the Bank of Baroda Limited against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Jan-2021 with interest rates 9.85%, (previous year at 7.35%)

Vehicle loan is taken from the Bank of Baroda Limited against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from May-2021 with interest rates 9.85%, (previous year in the range of 7.35%)

Vehicle loan is taken from the Bank of Baroda Limited against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from May-2021 with interest rates 9.85%, (previous year in the range of 7.35%)

Vehicle loan is taken from the Union Bank of India against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Jan-2022 with interest rates 9.80%, (previous year in the range of 7.30%)

Vehicle loan is taken from the Union Bank of India against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Mar-2022 with interest rates 9.90%, (previous year in the range of 7.40%)

Vehicle loan is taken from the Union Bank of India against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Jan-2022 with interest rates 9.40%, (previous year in the range of 7.30%)

Vehicle loan is taken from the Union Bank of India against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Aug-2022 with interest rates 9.40% (previous year in the range of NIL)

Vehicle loan is taken from the Union Bank of India against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Aug-2022 with interest rates 9.40% (previous year in the range of NIL)

Vehicle loan is taken from the Union Bank of India against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Aug-2022 with interest rates 9.40% (previous year in the range of NIL)

Vehicle loan is taken from the Union Bank of India against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Sep-2022 with interest rates 9.40%, (previous year in the range of NIL)

Vehicle loan is taken from the Union Bank of India against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Sep-2022 with interest rates 9.40%, (previous year in the range of NIL)

Vehicle loan is taken from the Union Bank of India against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Oct-2022 with interest rates 9.40%, (previous year in the range of NIL)

Vehicle loan is taken from the Union Bank of India against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Oct-2022 with interest rates 9.30%, (previous year in the range of NIL)

Vehicle loan is taken from the Union Bank of India against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Oct-2022 with interest rates 9.05%, (previous year in the range of NIL)

f) Working Capital Term Loan is taken from Union Bank of India for business purpose with interest rate 1 Year MCLR+0.60% effective rate 9.18% (previous year effective rate is 7.85%) repayable in 48 equal quarterly instalments starting from Dec -23. The said loan is secured by first pari-passu charge on hypothecation of stocks, book debts and and by equitable mortgage with Yes Bank limited and HDFC Bank Limited of factory land and buildings at Dahej and Kullu and all moveable property, plant and equipments of the Company and second charge on the existing securities of the company except plant 4 at Dahej and Premix Plant at Kullu.

g) Term loan is taken from HDFC Bank Limited for financing the capital expenditure at Dahej SEZ with average interest rate 7.98% (Previous year effective rate is 7.7%) repayable in 28 equal quarterly instalments starting from Apr 2022. The said loan is secured by first pari-passu charge on the project , first pari pasu charge on property, plant and equipment at Dahej and Kullu except plant 3 at Dahej which is exclusively Mortgaged with Yes Bank Limited and Union Bank of India, and second pari passu charge on entire current assets along with other banks.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

24 Borrowings (Contd.)

h) Loan by way of discounting of lease rental of Thane One Building consisting of 1st floor to 13th floor from Bajaj Finance Limited the effective rate for the current year in the range of 8.00% to 11.20% (previous year in the range of 8.00% to 9.00%) repayable after 156 months on August 15, 2030 in one instalment. The said loan is secured by hypothecation of the lease agreements of Thane One (consisting of 1st floor to 13th floor). Further the loan has been guaranteed by the personal guarantee of the Executive Vice Chairman of the Company and the corporate guarantee of the Holding Company, DVK Investment Private Limited. The loan has been repaid in full on March 20, 2023

i) Loan against property and loan by way of discounting of lease rental of Thane One Building consisting of 1st floor to 13th floor from Bajaj Finance Limited, the effective rate for the current year in the range of 8.00% to 11.20% (previous year effective rate in the range of 8.00% to 9.57%) The said loan is secured by hypothecation of the lease agreements of Thane One (consisting of 1st floor to 13th floor) and equitable mortgage of the premises at Ceejay House owned by Aegean Properties Limited (APL), a wholly owned subsidiary of the Company. Further these loans have been guaranteed by the personal guarantee of the Executive Vice Chairman of the Company and the corporate guarantee of the holding company, DVK Investment Private Limited. During the year comapny has sold 9 no. of floors of Thane One with no objection certificate obtened from Bajaj Finance Limited.

25 Other financial liabilities (Non current)

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Deposits from tenants	108.38	72.43
Total	**108.38**	**72.43**

26 Provisions (Non-current)

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Provisions for employee benefits:		
Gratuity [Refer note 47 (c)]	214.28	188.47
Compensated absences	248.18	376.36
Total	**462.46**	**564.83**

27 Other liabilities (Non current)

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Deferred Revenue	894.40	24.43
Deposits from Developer (Refer note 66)	1,500.00	500.00
Total	**2,394.40**	**524.43**

28 Borrowings (Current)

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Loans repayable on demand		
From banks (Secured)		
Cash credit and Bank overdraft	1,753.59	1,493.96
Packing credit and Bill discounting	3,090.35	3,743.92
Short term working capital loan	5,301.71	4,509.62
From banks (Secured)		
Current maturities of long term debts (Refer note 24)	2,607.90	1,867.09
From others (Secured)		
For business operations (Refer note 24)	572.08	531.75
Total	**13,325.63**	**12,146.34**

Notes to the Standalone Financial Statements for the year ended March 31, 2023

28 Borrowings (Current) (Contd.)

Packing credit, cash credit from Union Bank of India, are secured by first pari-passu charge on hypothecation of stocks, book debts and and by equitable mortgage with Yes Bank limited and HDFC Bank Limited of factory land and buildings at Dahej and Kullu and all moveable property, plant and equipment of the Company except vehicles and Plant 4 at Dahej and Premix Plant at Kullu. The average interest rate for packing credit in foreign currency is 3.00% to 5.60% (EURO PCFC - EURIBOR+3.10%, USD PCFC - 6M LIBOR+3.10%) and average interest rate for cash credit is 11.20 %.

Packing credit, cash credit and Working Capital Demand Loan from Yes Bank Limited is secured by first pari-passu charge on current assets of the Company and by equitable mortgage of factory land and buildings at Dahej and Kullu with Union Bank of India and HDFC Bank Limited and all moveable property, plant and equipment of the Company except vehicles and Plant 4 at Dahej and Premix Plant at Kullu. The average interest rate for packing credit in foreign currency is 5.50%. and Working Capital Demand Loan is 8.90% average interest rate for cash credit is 1 YR MCLR+0.95 (form 10.40% to 9.40%).

Packing credit and Working Capital Demand Loan from HDFC Bank Limited is secured by First pari-passu charge on current assets, exclusive charge on assets of plant 4 at Dahej and Premix Plant at Kullu, moveable property, plant and equipment of the Company and equitable mortgage of factory land and buildings at Dahej and Kullu with Union Bank of India and Yes Bank Limited (excluding the plant and building financed through term loan from Union Bank of India and Yes Bank Limited).The average interest rate for packing credit in foreign currency is 5.50% and Working Capital Demand Loan from 8.95% to 7.35%.

Short term working capital loan taken from Union Bank of India are secured against the lien of fixed deposits. The average interest rate is in the range of 5.5% to 7.25%.

29 Trade payables (Current)

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Dues of micro and small enterprises (MSME) (Refer note 52)	280.47	224.72
Dues of creditors other than MSME	5,021.44	4,331.92
Disputed dues of MSME	-	-
Disputed dues of creditors other than MSME	-	-
Total	**5,301.91**	**4,556.64**

Ageing of trade payables: as at March 31, 2023

(₹ in Lakhs)

Particulars	Unbilled	Not due	Outstanding for the following period from due date of payments				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Dues of MSME	-	3.71	276.00	0.76	-	-	280.47
Dues of creditors other than MSME	885.79	754.25	3,257.85	25.91	25.88	71.76	5,021.44
Disputed dues of MSME	-	-	-	-	-	-	-
Disputed dues of creditors other than MSME	-	-	-	-	-	-	-
Total	**885.79**	**757.96**	**3,533.85**	**26.67**	**25.88**	**71.76**	**5,301.91**

Ageing of trade payables: as at March 31, 2022

(₹ in Lakhs)

Particulars	Unbilled	Not due	Outstanding for the following period from due date of payments				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Dues of MSME	-	72.16	152.56	-	-	-	224.72
Dues of creditors other than MSME	697.69	1,848.34	1,676.07	40.55	28.50	40.77	4331.92
Disputed dues of MSME	-	-	-	-	-	-	-
Disputed dues of creditors other than MSME	-	-	-	-	-	-	-
Total	**697.69**	**1,920.50**	**1,828.63**	**40.55**	**26.50**	**40.77**	**4,556.64**

Notes to the Standalone Financial Statements for the year ended March 31, 2023

30 Other financial liabilities (Current)

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Deposits from tenants	268.71	540.89
Interest accrued but not due on borrowings	49.81	57.40
Payable to employees / directors	136.58	336.29
Liability for capital expenditure	373.82	303.33
Derivatives not designated as hedge.	64.78	23.57
Unclaimed dividend	15.21	14.11
Total	**908.91**	**1,275.59**

31 Other current liabilities

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Advances from customers	1,512.93	351.12
Statutory dues	133.41	97.27
Deferred rent	17.84	21.42
Total	**1,664.18**	**469.81**

32 Provisions (Current)

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Provisions for employee benefit:		
Compensated absences	58.14	78.06
Total	**58.14**	**78.06**

33 Current tax liabilities (net)

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Provision for income tax (net of advance tax for tax ₹2,072.42 lakhs [as at March 31, 2022 ₹2,072.42 lakhs])	32.01	32.01
Total	**32.01**	**32.01**

34 Revenue from operations

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Revenue from contracts with customers	26,273.84	37,048.57
Rent Income (Refer note 46)	1,151.58	1,323.80
Amortised deferred rent	52.80	43.49
Service income (infrastructure support services to tenants)	322.25	256.66
Sale of services	230.20	88.22
Sale of Investment property (net) (Refer note 58)	4,772.82	-
Other operating revenues		
Export incentive	62.45	5.85
Scrap sales	26.11	29.47
Total	**32,892.05**	**38,796.06**

Notes to the Standalone Financial Statements for the year ended March 31, 2023

35 Other income

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Interest income on financial assets carried at amortised cost:		
Bank deposits	145.51	100.96
Other financial assets	94.17	40.70
	239.68	**141.66**
Dividend income on investment in equity instruments designated as at fair value through other comprehensive income	0.63	-
Foreign exchange gain (net)	210.19	300.34
Net gain on fair value changes of derivatives at FVTPL	-	86.58
Insurance claims	1.29	0.09
Liabilities / provisions no longer required written back:		
From Trade receivables	20.19	92.78
From Others	282.72	131.16
	302.91	**223.94**
Miscellaneous income	1.30	0.01
Total	**756.00**	**752.62**

36 Cost of materials consumed

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Inventories of raw materials and packing materials at the beginning of the year	**4,616.06**	**4,526.95**
Add : Purchases	10,037.54	13,402.01
Less : Inventories of raw materials and packing materials at the end of the year	4,605.04	4,616.06
Total	**10,048.56**	**13,312.90**

37 Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Inventories at the end of the year		
Work-in-progress	3,416.81	6,065.47
Finished goods	2,178.79	1,258.65
	5,595.60	**7,324.12**
Inventories at the beginning of the year		
Work-in-progress	6,065.47	6,751.98
Finished goods	1,258.65	1,336.85
	7,324.12	**8,088.83**
	1,728.52	**764.71**

38 Employee benefits expense

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Salaries and wages	4,602.44	4,775.60
Contribution to provident and other funds (Refer note 47)	289.83	284.14
Gratuity expense [Refer note 47(d)]	75.19	65.19
Share based payments to employees (Refer note 59)	(101.85)	269.65
Staff welfare expenses	506.41	541.44
Total	**5,372.02**	**5,936.02**

Notes to the Standalone Financial Statements for the year ended March 31, 2023

39 Finance costs

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Interest on		
Term loans	1,075.04	959.76
Loans repayable on demand	716.97	579.33
Liabilities carried at amortised cost (Unwinding of interest)	54.52	47.35
Lease liabilities (Refer note 46)	46.10	45.98
Others	22.56	8.61
Other borrowing costs	179.04	81.57
Total	**2,094.23**	**1,722.60**

40 Depreciation and amortisation expense

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Depreciation on property, plant and equipment (Refer note 3)	1,748.08	1,666.13
Depreciation on right-of-use assets (Refer note 5)	135.61	172.72
Depreciation of investment property (Refer note 6)	258.87	282.55
Amortisation of intangible assets (Refer note 7)	308.83	246.01
Total	**2,451.39**	**2,367.41**

41 Other expenses

(₹ in Lakhs)

	March 31, 2023		March 31, 2022	
GST other than recovered on sales		115.54		116.95
Contract labour charges		658.61		618.96
Power and fuel		1,786.17		1,984.17
Processing charges		1,102.03		1,138.12
Repairs and maintenance				
Buildings		73.06		134.74
Plant and machinery		219.61		241.80
Others		1,334.38		1,010.36
Stores and spare parts consumed		1,024.08		1,221.15
Water charges		37.78		50.85
Advertising and sales promotion		291.64		249.55
Freight and forwarding charges		506.00		820.68
Commission on sales		102.31		196.20
Rent (including lease rentals)		37.14		32.40
Insurance		305.64		295.42
Rates and taxes		649.94		329.34
Allowance for doubtful debts		28.57		32.85
Allowance for doubtful advances		23.05		-
Trade receivable loans and advances written off	478.34		9.15	
Less: Allowance held	-	478.34	(5.71)	3.44
Impairment in the value of non-current investment		0.88		-
Non current investment written off	-		5.00	
Less: Allowance held	-	-	(5.00)	-

Notes to the Standalone Financial Statements for the year ended March 31, 2023

41 Other expenses

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Travelling and conveyance	578.60	658.65
Professional and legal fees	758.50	739.50
Payment to auditors (Refer note 44)	49.11	52.79
Postage and telephone	45.30	44.02
Printing and stationery	77.08	76.61
Net loss on fair value changes of derivatives at FVTPL	41.21	-
Security Expenses	91.38	118.81
Staff recruitment expenses	31.44	29.02
Bank charges	55.22	88.34
Brokerage	99.24	48.14
Analytical Charges	81.88	88.57
Loss on sale/ write off, of property, plant and equipment (net)	31.48	2.67
Corporate social responsibility expenses (Refer note 51)	112.95	189.60
Directors sitting fees	40.70	56.50
Miscellaneous expenses	121.58	176.76
Total	**10,990.44**	**10,846.96**

42 Related parties disclosures as per Ind AS 24

A) Names of the related parties and description of relationships

	Country of Incorporation	Proportion of ownership interest as at	
		March 31, 2023	March 31, 2022
a) **Holding Company:**			
DVK Investments Private Limited	India		
Subsidiaries:			
Aegean Properties Limited	India	100%	100%
Fermenta Biotech Gmbh	Germany	100%	100%
Fermenta Biotech (UK) Limited	United Kingdom	100%	100%
Fermenta USA LLC	United States of America	52%	52%
Fermenta Biotech USA LLC	United States of America	100%	100%
G.I. Biotech Pvt Limited*	India	100%	62.50%

*Application for strike off of G. I. Biotech Private Limited was made to Ministry Of Corporate Affairs on February 14, 2023, however the status is 'Under Process of Striking off'" as at March 31, 2023.

b) Key Management Personnel

Name of Key Management Personnel	Designation
Mr. Krishna Datla (also a person controlling the holding company)	Managing Director (up to May 08, 2021) 'ExecutiveVice-Chairman (w.e.f. May 09, 2021)
Mr. Satish Varma	Executive Director
Mr. Sanjay Buch	Non-Executive Director and Chairman
Mrs. Rajeshwari Datla (also relative of the Executive Vice-Chairman)	Non-Executive Director
Mrs. Anupama Datla Desai (also relative of the Executive Vice-Chairman)	Executive Director

Notes to the Standalone Financial Statements for the year ended March 31, 2023

42 Related parties disclosures as per Ind AS 24 (Contd.)

Name of Key Management Personnel	Designation
Dr. Gopakumar Nair	Non-Executive Director
Mr. Vinayak Hajare	Non-Executive Director
Mrs. Rajashri Ojha	Non-Executive Director
Mr. Pramod Kasat	Non-Executive Director
Mr. Prashant Nagre	Chief Executive Officer (up to May 08, 2021) 'Managing Director (w.e.f. May 09, 2021)
Mr. Sumesh Gandhi	Chief Financial Officer
Mr. Srikant N Sharma	Company Secretary

c) Associate

Health and Wellness India Private Limited

d) Enterprises under significant influence of key management personnel or their relatives:

Magnolia FNB Private Limited

Dupen Laboratories Private Limited

Lacto Cosmetics (Vapi) Private limited

Silk Road Communications Private Limited.

B) Related party transactions:

Sr. No.	Particulars	Holding Company	Subsidiaries	Key management personnel*	Enterprise significantly influenced by KMP or their relatives
1	**Remuneration to Directors and Key Management Personnel ***				
	Mr. Krishna Datla	-	-	**227.60**	-
		(-)	(-)	(129.81)	(-)
	Mr. Satish Varma	-	-	**162.95**	-
		(-)	(-)	(131.78)	(-)
	Ms. Anupama Datla Desai	-	-	**117.06**	-
		(-)	(-)	(117.47)	(-)
	Mr. Prashant Nagre	-	-	**174.75**	(-)
		(-)	(-)	(146.02)	(-)
	Mr. Sumesh Gandhi	-	-	**95.42**	-
		(-)	(-)	(89.95)	(-)
	Mr. Srikant N Sharma	-	-	**65.40**	-
		(-)	(-)	(62.60)	(-)
2	Directors sitting fees				
	Mr. Sanjay Buch	-	-	**8.20**	-
		(-)	(-)	(12.30)	(-)
	Mr. Gopakumar Nair	-	-	**7.80**	-
		(-)	(-)	(12.00)	(-)
	Mrs. Rajeshwari Datla	-	-	**7.50**	-
		(-)	(-)	(11.50)	(-)
	Mr. Vinayak Hajare	-	-	**8.20**	-
		(-)	(-)	(12.50)	(-)

Notes to the Standalone Financial Statements for the year ended March 31, 2023

42 Related parties disclosures as per Ind AS 24 (Contd.)

Sr. No.	Particulars	Holding Company	Subsidiaries	Key management personnel*	Enterprise significantly influenced by KMP or their relatives
	Mrs. Rajashri Ojha	-	-	**5.00**	-
		(-)	(-)	(8.20)	(-)
	Mr. Pramod Kasat			**4.00**	
		(-)	(-)	(-)	(-)
3	Rent and service income				
	Aegean Properties Limited.	-	**0.30**	-	-
		(-)	(0.30)	(-)	(-)
	DVK Investments Private Limited.	**0.30**	-	-	-
		(0.30)	(-)	(-)	(-)
	Magnolia FNB Private Limited.	-	-	-	**0.30**
		(-)	(-)	(-)	(0.30)
	Silk Road Communications Private Limited.	-	-	-	1.35
		(-)	(-)	(-)	(1.35)
4	Rent paid				
	Aegean Properties Limited.	-	**18.00**	-	-
		(-)	(18.00)	(-)	(-)
5	Expenditure incurred on behalf of related parties				
	Aegean Properties Limited.	-	**5.86**	-	-
		(-)	(16.62)	(-)	(-)
	Fermenta Biotech Gmbh	-	**1.47**	-	-
		(-)	(-)	(-)	(-)
6	Sale of products				
	Dupen Laboratories Private Limited	-	-	-	**29.37**
		(-)	(-)	(-)	(34.66)
	Fermenta Biotech Gmbh	-	**706.54**	-	-
		(-)	(921.76)	(-)	(-)
	Fermenta USA LLC	-	**1,347.35**	-	-
		(-)	(2,126.06)	(-)	(-)
7	Purchase of raw materials and packing materials				
	Fermenta Biotech Gmbh	-	-	-	-
		(-)	(19.58)	(-)	(-)
8	Interest on loan given				
	Fermenta Biotech USA LLC	-	**36.14**	-	-
		0	(10.03)	(-)	(-)
9	Investment made				
	Fermenta Biotech Gmbh		**811.88**		
		(-)	(-)	(-)	(-)
	G.I. Biotech Pvt. Limited		**0.38**		
			(-)		

Notes to the Standalone Financial Statements for the year ended March 31, 2023

42 Related parties disclosures as per Ind AS 24 (Contd.)

Sr. No.	Particulars	Holding Company	Subsidiaries	Key management personnel*	Enterprise significantly influenced by KMP or their relatives
10	Loans given				
	Fermenta Biotech USA LLC	-	-	-	-
		(-)	(642.26)	(-)	(-)
11	Provision for impairment in investment				
	Fermenta Biotech Gmbh	-	**831.21**	-	-
		(-)	(-)	(-)	(-)
	G.I. Biotech Pvt. Limited	-	**0.88**	-	-
		(-)	(-)	(-)	(-)
12	Provision for doubtful trade receivable and expenditure incurred on behalf of related parties				
	Fermenta Biotech Gmbh	-	**2,280.03**	-	-
		(-)	(-)	(-)	(-)

(Figures in brackets are the corresponding figures in respect of the previous year.)

* The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

C) Balance outstanding as at the end of the year :

(₹ in Lakhs)

		March 31, 2023	March 31, 2022
a.	**Trade payables and reimbursement payables**		
	Subsidiary		
	Aegean Properties Limited.	111.24	99.63
	Fermenta Biotech Gmbh	20.04	19.58
b.	**Trade receivables and Other financial assets**		
	Subsidiary		
	Fermenta Biotech Gmbh		
	Fermenta USA LLC	4076.04	3175.33
	Fermenta Biotech USA LLC	1012.60	1156.97
	Silk Road Communications Private Limited.	0.13	-
	Fermenta Biotech USA LLC	51.50	16.73
	Enterprises under significant influence of key management personnel or their relatives:	8.66	8.66
	Dupen Laboratories Pvt Ltd	8.66	8.66
c.	**Allowance for doubtful debts/advances**		
	Associate		
	Health and Wellness India Private Limited	37.00	37.00
	Subsidiary	37.00	37.00
	Fermenta Biotech Gmbh	2,280.03	

Notes to the Standalone Financial Statements for the year ended March 31, 2023

42 Related parties disclosures as per Ind AS 24 (Contd.)

(₹ in Lakhs)

		March 31, 2023	March 31, 2022
d.	**Provision for diminution in value of investments**		
	Associate		
	Health and Wellness India Private Limited (including share application money)		
		784.86	784.86
	Subsidiary		
	Fermenta Biotech Gmbh	831.21	
	Fermenta Biotech (UK) Limited	148.65	-
	G.I. Biotech Pvt. Limited	0.88	-
e.	Other financial liabilities		
	Key management personnel		
	Mr. Krishna Datla	-	40.00
f.	Inter corporate deposits		
	Associate		
	Health and Wellness India Private Limited	37.00	37.00
g.	**Loan given**		
	Subsidiary		
	Fermenta Biotech USA LLC	698.33	642.26
h.	**Investments (Subsidiary)**		
	Fermenta Biotech Gmbh	831.21	19.33
	Fermenta Biotech (UK) Limited	183.99	183.99
	Fermenta Biotech USA LLC	1,184.72	1,184.72
	G.I. Biotech Pvt. Limited	0.88	0.63
	Aegean Properties Limited.	30.00	30.00

D) The Company has granted ESOP options to Key management personnel as mentioned below and for terms Refer to note 59.

Sr. No.	Particulars	No. of Options Grant	No. of Options Vested	No. of Options Cancelled	No. of Options Exercise
a)	Mr. Prashant Nagre	-	-	-	-
			(2,17,410)	-	-
b)	Mr. Sumesh Gandhi	-	3,213	4,819	-
			(9,639)	(14,458)	-
c)	Mr. Srikant Sharma	-	2,409	3,614	-
			(7,228)	(10,842)	-

Note. Figure in brackets of previous year

All transactions entered into with Related Parties during the financial year were in the ordinary course of business and on arm's length pricing basis.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

43 Commitments and Contingent liabilities

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
(i) Commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	2,677.29	2,445.41
(b) Lease commitments	59.13	162.66
(ii) Contingent liabilities:		
Claims against the company not acknowledged as debts		
(a) Tax matters		
Service tax department raised demand of ₹22.50 Lakhs consisting of Service Tax of ₹7.50 Lakhs and penalty of ₹15.00 Lakhs in connection with services rendered post demerger of the pharmaceutical division. Commissioner of Service Tax Mumbai and CESTAT has upheld the order of Joint Commissioner of Service Tax. The Company has preferred an appeal to Bombay High Court.	22.50	22.50
The Deputy Commissioner of sales tax has confirmed the order of the Assistant Commissioner of sales tax Vapi, Gujarat for year 1992-93 and 1993-94 for demand of interest and penalty due to shortfall in tax payment on account of computation of purchase tax setoff. Company has preferred an appeal to sales tax tribunal Ahmedabad, Gujarat and obtained stay against the order/demand of the Assistant Commissioner pending final disposal.	4.63	4.63
(b) Letter of comfort on behalf of a subsidiary, to the extent of limits	301.46	301.46

Note:- Future cash outflows in respect of the above are determinable only on receipt of judgements/decisions pending with various authorities/forums and/or final outcome of the matters.

44 Payment to auditors excluding statutory levy

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
For audit	31.00	27.00
For limited review	15.00	15.00
For other services	0.90	10.35
Reimbursement of expenses	2.21	0.44
	49.11	**52.79**

45 Earnings per share (EPS):

The following table sets forth the computation of basic and diluted earnings per share :

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
(Loss)/Profit for the year used for computation of basic and diluted earnings per share (₹ in Lakhs)	(5,753.27)	3,023.73
Weighted average number of equity shares used in calculating basic EPS [refer note 22(a)]	2,88,57,303.00	2,88,47,322.00
Effect of dilutive potential equity shares #	3,28,842.00	1,55,011.00
Weighted average number of equity shares used in calculating diluted EPS	2,91,86,145.00	2,90,02,333.00
Earnings per equity share of ₹5 each before exceptional items		
Basic earnings per equity share [nominal value of share ₹5 (March 31, 2022: ₹5)]	0.71	10.48
Diluted earnings per equity share [nominal value of share ₹5 (March 31, 2022: ₹5)]	0.71	10.43
Earnings per equity share of ₹5 each after exceptional items		
Basic earnings per equity share [nominal value of share ₹5 (March 31, 2022: ₹5)]	(19.94)	10.48
Diluted earnings per equity share [nominal value of share ₹5 (March 31, 2022: ₹5)]	(19.94)	10.43
# Potential equity share are anti dilutive and hence not considered		

Notes to the Standalone Financial Statements for the year ended March 31, 2023

46 Leases

(A) Assets taken on lease

The Company has taken on lease and license basis certain residential, office premises and vehicles on lease basis. The Company also has lease arrangements for lands taken on lease at Dahej and Saykha. The lease term in respect of these lease ranges from 2 to 99 years. In respect of the said leases, the additional information is as under

	March 31, 2023	March 31, 2022
Depreciation charge for right-of-use assets	135.61	172.72
Expenses relating to leases of low-value assets accounted for on straight line basis (included in Rent expenses in Note 41)	37.14	32.40
Total cash outflow for leases	127.94	154.58
Maturity analysis of lease liabilities (on undiscounted basis)		
Less than one year	106.02	147.40
One to five years	257.09	251.93
More than five years	759.10	771.62
Weighted average incremental borrowing rate applied to lease liabilities recognised in the balance sheet at the date.	10%	10%

Set out below are the carrying amounts of lease liabilities (included under financial liabilities) and the movements during the year:

Particulars	March 31, 2023	March 31, 2022
As at the beginning of the year	479.05	465.47
Interest payment Lease liabilities (Refer note 39)	46.10	45.98
Addition	41.89	122.18
Payments	(127.94)	(154.58)
As at the end of the year	**439.10**	**479.05**
Lease liabilities		
Current	68.97	107.28
Non-Current	370.13	371.77
Total Lease liabilities	**439.10**	**479.05**

The following is the summary of practical expedients elected on initial application:

i) The Company has not reassessed whether a contract is or contains a lease at the date of initial application.

ii) Company has utilised the exemptions provided for short-term leases (less than a year) and leases for low value assets.

iii) The Company has utilised hindsight in determining the lease terms where contracts contained options to extend or terminate the lease.

iv) Initial direct costs are excluded from the measurement of right-of-use assets at the date of initial application

General description of significant leasing agreements

(i) Refundable interest free deposits have been given under lease agreements.

(ii) Some of the agreements provide for early termination by either party with a specified notice period / renewal with conditions

(B) Assets given on lease

The Company has entered into operating lease agreement for sublease of property in Worli, Mumbai with original lease period expiring on May 2024.

The Company has also entered into various operating lease agreements for its properties in Thane with original lease periods expiring up to October 2027. These agreements have a non-cancellable period at the beginning of the period for 3/5 years and have rent escalation provisions of 5% every year or 15% after 3 years.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

46 Leases (Contd.)

Particulars	March 31, 2023	March 31, 2022
a) Rent income recognised in the Standalone statement of profit and loss for the year [Includes rentals on sub-lease of ₹156.34 lakhs (March 31, 2022 ₹211.79 lakhs)]	1,151.58	1,323.80
b) Future minimum lease income under the non-cancellable leases in the aggregate and for each of the following periods:		
i) Not later than one year	276.82	456.64
ii) Later than one year and not later than five years	662.37	1,433.39
iii) More than five years	-	-

47 Employee benefits

The Company operates following employee benefit plans

(I) Defined contribution plans: Provident fund, superannuation fund, employee state insurance scheme (ESIC) and labour welfare fund.

(II) Defined benefit plan: Gratuity (funded)

(III) Other long term benefit plan: Compensated absences (unfunded)

I) Defined contribution plan

Particulars	March 31, 2023	March 31, 2022
The Company operates defined contribution retirement benefit plans for all qualifying employees of the Company. The contribution to defined contribution plan, recognised as expenses in the Standalone statement of profit and loss for the year is as under (Refer note 38).		
Employer's contribution to provident fund	277.99	269.60
Employer's contribution to superannuation fund	1.77	1.91
Employer's contribution to ESIC and Employees Deposit Linked Insurance (EDLI)	9.96	12.53
Employer's contribution to labour welfare fund	0.11	0.10

II) Defined benefit plan

The Company operates a defined benefit plan, viz., gratuity.

In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognised Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination. Provision for Gratuity is based on actuarial valuation done by an independent actuary as at the year end. Each year, the Company reviews the level of funding in the gratuity fund.

(a) Movements in the present value of the defined benefit obligation are as follows:

Particulars	March 31, 2023	March 31, 2022
Opening defined benefit obligation	**559.37**	**452.59**
Interest cost	35.44	28.29
Current service cost	63.13	57.71
Benefits paid	(77.59)	(16.03)
Actuarial (Gain)/loss on obligations - due to changes in financial assumptions	(19.48)	(11.87)
Actuarial (Gain)/loss on obligations - due to changes in demographic assumptions	-	-
Actuarial (Gain)/loss on obligations - due to changes in experience adjustment	8.89	48.68
Closing defined benefit obligation	**569.76**	**559.37**

Notes to the Standalone Financial Statements for the year ended March 31, 2023

47 Employee benefits (Contd.)

(b) Movements in the fair value of the plan assets are as follows:

Particulars	March 31, 2023	March 31, 2022
Opening fair value of plan assets	**370.90**	**325.15**
Employer's contributions	38.21	37.47
Interest income	23.39	20.80
Remeasurement gain / (loss) :		
Return on plan assets (excluding amounts included in net interest expense)	0.57	3.51
Benefit paid	(77.59)	(16.03)
Closing fair value of plan assets	**355.48**	**370.90**

c) Reconciliation of fair value of plan assets and defined benefit obligation:

The amount included in the Standalone financial statements arising from the Company's obligation in respect of its defined benefit obligation plan is as follows:

Particulars	March 31, 2023	March 31, 2022
Fair value of plan assets	355.48	370.90
Present value of defined benefit obligation	569.76	559.37
Amounts recognised in the Standalone balance sheet surplus/(deficit)	**(214.28)**	**(188.47)**

d) The amount recognised in Standalone statement of profit and loss in respect of the defined benefit plan are as follows:

Particulars	March 31, 2023	March 31, 2022
Current service cost	63.13	57.71
Net interest expense / (income)	12.06	7.48
Components of defined benefit costs recognised in Standalone statement of profit and loss	**75.19**	**65.19**

e) The amount recognised in other comprehensive income in respect of the defined benefit plan is as follows:

Particulars	March 31, 2023	March 31, 2022
Remeasurement on the net defined benefits liability:		
Return on plan assets (excluding amounts included in net interest expense)	0.57	3.51
Actuarial gains /(losses) arising from changes in financial assumptions	19.48	11.87
Actuarial gains /(losses) arising from changes in demographic assumptions	-	-
Actuarial gains /(losses) arising from changes in experience adjustments	(8.89)	(48.68)
Components of defined benefit recognised as income / (loss) in other comprehensive income	**11.16**	**(33.30)**

f) The principal assumptions used for the purpose of the actuarial valuations are as follows:

Particulars	March 31, 2023	March 31, 2022
Discount rate (per annum)	7.45%	7.05%
Salary escalation rate (per annum)	5.00%	5.00%
Expected rate of return on plan assets (per annum)	7.05%	7.05%
Retirement Age	58 Years	58 Years
Mortality rate	Indian Assured lives Mortality (2012-14)	Indian Assured lives Mortality (2012-14)
Leaving Service (age groups)	21-30 years- 4%	21-30 years- 4%
	31-40 years - 3%	31-40 years - 3%
	41-50 years - 2%	41-50 years - 2%
	Above 50 years - 1%	Above 50 years - 1%

Notes to the Standalone Financial Statements for the year ended March 31, 2023

47 Employee benefits (Contd.)

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is considered as per declaration from Life Insurance Corporation of India (LIC) .

The expected contributions for defined benefit plan for the next financial year is ₹35 Lakhs (March 31, 2022: ₹35.00 Lakhs).

g) Maturity analysis of projected benefit obligation

Particulars	March 31, 2023	March 31, 2022
Expected benefits for Year 1	102.81	113.31
Expected benefits for Year 2	27.71	40.18
Expected benefits for Year 3	38.36	24.92
Expected benefits for Year 4	60.52	35.80
Expected benefits for Year 5	72.92	54.15
Expected benefits for Year 6	44.35	68.46
Expected benefits for Year 7	20.26	42.70
Expected benefits for Year 8	32.97	17.73
Expected benefits for Year 9	30.36	28.66
Expected benefits for Year 10 and above	807.52	747.33

h) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2023	March 31, 2022
Insurer managed funds	100%	100%

i) Sensitivity analysis

Significant actuarial assumptions for determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at end of year, while holding all other assumptions constant. The result of sensitivity analysis is given below:

Particulars	March 31, 2023 (Decrease)/increase in DBO*	March 31, 2022 (Decrease)/increase in DBO*
Discount rate (- 0.50%)	4.31%	4.33%
Discount rate (+ 0.50%)	(-4.01%)	(-4.02%)
Salary escalation rate (- 0.50%)	(-3.93%)	(-3.9%)
Salary escalation rate (+ 0.50%)	4.19%	4.17%
*'DBO: Defined benefit obligation		

j) Risks exposure:

The plan typically exposes the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment risk : The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields on government bonds denominated in Indian rupees. If the actual return on plan assets is below this rate, it will create a plan deficit. However, the risk is mitigated by investment in LIC managed fund.

Interest risk : A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the value of the plan's investment in LIC managed fund.

Longevity risk : The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk : 'The inherent risk for the Company mainly are adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

47 Employee benefits (Contd.)

III) Other long term benefit plan

Actuarial valuation for compensated absences is done as at the year end and provision is made as per Company rules with corresponding charge / (credit) to the Standalone statement of profit and loss amounting to ₹(77.02) Lakhs [March 31, 2022: (₹110.09 Lakhs)] and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

Obligation in respect of defined benefit plan and other long term employee benefit plans are actuarially determined at the year end using the "Projected unit credit model". Gains and losses on changes in actuarial assumptions relating to defined benefit obligation are recognised in OCI where as gains and losses in respect of other long term employee benefit plans are recognised in the Standalone statement of profit and loss.

48 Income tax

48A Tax expense recognised in the Standalone statement of profit and loss and other comprehensive income consists of:

Particulars (₹ in Lakhs)

	March 31, 2023	March 31, 2022
Tax expenses:		
Current tax	-	740.75
Adjusment of tax related to earlier years	(115.52)	-
Deferred tax charge	-	491.76
Income tax expense / (income) recognised in the Standalone statement of profit and loss	**(115.52)**	**1,232.51**
Tax expense / (income) recognised in other comprehensive income	**-**	**(3.77)**
Total Tax expense / (income)	**(115.52)**	**1228.74**

48B A reconciliation of income tax expense to the amount computed by applying the statutory income tax rate to the profit/(loss) before income tax is summarised below:

Particulars (₹ in Lakhs)

	March 31, 2023	March 31, 2022
Profit /(loss) before tax	(5,868.79)	4,256.24
Enacted income tax rate in India (%) #	29.120	29.120
Income tax expense calculated at enacted income tax rate	(1,708.99)	1,239.42
Effect of tax on:		
Deferred tax assets not recognised on losses *	(1,583.22)	-
Expenses disallowed under income Tax	(32.89)	55.21
Incremental deduction on account of research and development	-	(74.90)
Others	(92.88)	12.78
Sub Total :	**(1,708.99)**	**(6.91)**
Total income tax expense / (income)	-	1,232.51
Adjusment of Tax related to earlier years	**(115.52)**	**-**
Tax expenses / (income) recognised in Standalone statement of profit and loss	**(115.52)**	**1,232.51**
Tax expense /(income) recognised in other comprehensive income	**-**	**(3.77)**
Total tax expense /(income)	**(115.52)**	**1228.74**

The tax rate used for reconciliation above is the corporate tax rate of 29.12% (March 31, 2022: 29.12%) at which the Company is liable to pay tax on taxable income under the Indian tax Laws.

*A deferred tax asset is not recognised on lossess to the extent that it is not probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amonnt of deferred tax assests that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

As on March 31, 2023, considering the Company has incurred losses deferred tax asset to the extent of of such losses have not been recognised. .

Notes to the Standalone Financial Statements for the year ended March 31, 2023

48 Income tax (Contd.)

48C The major components of deferred tax liabilities/(assets) arising on account of temporary differences are as follows:

Particulars	April 01, 2022	March 31, 2023 Statement of profit and loss	March 31, 2023 Other comprehensive income	March 31, 2023
(i) Components of deferred tax liabilities (net)				
Deferred tax liabilities				
Property, plant and equipment and intangible assets: Impact of difference between written down value as per books of account and income tax	(2,423.99)	(1,245.64)	-	(3,669.63)
Deferred tax assets				
Expenses claimed for tax purpose on payment basis	193.99	(35.61)	-	158.38
Allowance for doubtful debts and advances and Impairment on Investments	144.11	1,273.93	-	1,418.04
Allowance for impairment in the value of non current investment and share application money	138.32	12.00	-	150.32
Business losses	-	56.79	-	56.79
Lease Assets/Lease Liability	-	-	-	-
MAT Credit entitlement	5,292.47	(73.61)	-	5,218.86
Others	(15.78)	12.14	-	(3.64)
Deferred tax charge/(credit)		**-**	**-**	
Net deferred tax assets	**3,329.12**	**-**		**3,329.12**

Particulars	April 01, 2021	March 31, 2022 Statement of profit and loss	March 31, 2022 Other comprehensive income	March 31, 2022
(i) Components of deferred tax liabilities (net)				
Deferred tax liabilities				
Property, plant and equipment and intangible assets: Impact of difference between written down value as per books of account and income tax	(2,040.94)	(383.05)	-	(2,423.99)
Deferred tax assets				
Expenses claimed for tax purpose on payment basis	(135.30)	48.99	9.70	193.99
Allowance for doubtful debts and advances and Impairment on Investments	162.36	(19.15)	-	144.11
Allowance for impairment in the value of non current investment and share application money	138.32	-	-	138.32
Lease Assets/Lease Liability	-			-
MAT Credit entitlement	5,398.99	(106.52)	-	5,292.47
Others	16.25	(32.03)	-	(15.78)
Deferred tax charge/(credit)		**(491.76)**	**9.70**	
Net deferred tax assets	**3,329.12**	**-**		**3,329.12**

Notes to the Standalone Financial Statements for the year ended March 31, 2023

47 Employee benefits (Contd.)

48D Details of unused tax losses and unabsorbed tax depreciation for which deferred tax assets have not been recognised:

Particulars (₹ in Lakhs)

	March 31, 2023	March 31, 2022
Unused tax losses (capital in nature)	90.08	124.35

The unused tax losses (capital in nature) will expire from financial year 2023-24 to financial year 2027-28.

Pursuant to scheme of amalgamation , during the financial year 2018-19 (assessment year 2019-2020) Company has through revised income tax return filed on July 26, 2020, recognised an intangible assets of ₹60,390.05 Lakhs in the form of Goodwill in its income tax block of assets and has claimed under section 32(1) of the Income Tax Act, 1961 ('the Act') depreciation of ₹15,097.51 Lakhs for assessment year 2019-2020 and for assessment year 2020-2021, ₹11,323.15 Lakhs. Pending the outcome of the assessment by the income tax authorities, the aforesaid amount of depreciation has not been considered as deduction for arriving at the provision for taxation and also deferred tax assets has not been created on the amount recognised as goodwill for the purposes of the Act.

49 Research and development expenditure

Research and development expenditure of ₹1338.60 Lakhs (March 31, 2022: ₹818.71 Lakhs) has been charged to the Standalone statement of profit and loss. The capital expenditure in the current year on research and development amounts to ₹14.14 Lakhs (March 31, 2022: ₹257.20 Lakhs).

50 During the year ended March 31, 2023, Directors sitting fees to Non-Excecutive Directors aggregating ₹40.70 Lakhs has been charged to the Standalone statement of profit and loss. (March 31, 2022 ₹56.50 Lakhs)

51 Details of CSR expenditure

(₹ in Lakhs)

	March 31, 2023			March 31, 2022		
Gross amount required to be spent by the Company			112.95			186.61
Particulars	**In cash**	**Yet to be paid in cash**	**Total**	**In cash**	**Yet to be paid in cash**	**Total**
Amount spent during the year						
i) Construction/acquisition of any asset	4.02	-	4.02	95.75	-	95.75
ii) On purposes other than (i) above	112.62	-	112.62	93.85	-	93.85
Total	**116.64**	**-**	**116.64**	**189.60**	**-**	**189.60**

Excess payment of ₹3.69 Lakhs of the year ended March 31, 2023 will be set-off in the Subsequent year expenses.

Nature of CSR activities undertaken

Nature of CSR activities	Anount Spent	
	March 31, 2023	March 31, 2022
Promoting health care including preventive health care	20.00	40.00
Contribution for the benefit of armed forces veterans	6.15	3.24
Contribution towards animal protection/ welfare	51.90	52.86
Promoting education and Social welfare	6.17	-
Covid care support	-	34.05
Promoting health care	3.96	53.29
Promoting education	4.17	4.99
Social welfare	18.64	-
Protection of art and culture	-	1.17
Administrative Overheads	5.65	-
	116.64	**189.60**

Notes to the Standalone Financial Statements for the year ended March 31, 2023

52 Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in Lakhs)

			March 31, 2023	March 31, 2022
a	(i)	Principal amount remaining unpaid to any supplier at the end of the accounting year	280.47	224.72
	(ii)	Interest due on above	-	-
		The Total of (i) and (ii)	280.47	224.72
b		The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006) along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c		The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d		The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
e		The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

53A Categories of financial instruments

(₹ in Lakhs)

			March 31, 2023	March 31, 2022
a)		**Financial assets**		
		Financial assets measured at fair value through Other comprehensive income		
		Investments in equity instruments -quoted	30.70	24.60
		Investments in equity instruments -unquoted	4.11	4.11
		Financial assets measured at amortised cost		
	(i)	Trade receivables	8,537.21	11,782.62
	(ii)	Cash and cash equivalents	3,201.06	1,019.22
	(iii)	Bank balances other than (ii) above	2,303.75	2,055.31
	(iv)	Investments- Corporate fixed deposit	278.07	-
	(v)	Loans	818.33	644.61
	(vi)	Other financial assets	2,189.42	1,176.34
		Total Financial assets	**17,362.65**	**16,706.81**
b)		**Financial liabilities measured at amortised cost**		
	(i)	Borrowings	21,679.59	23,614.59
	(ii)	Lease liabilities	439.10	479.05
	(iii)	Trade payables	5,301.91	4,556.64
	(iv)	Other financial liabilities	952.51	1,324.45
		Financial liabilities measured at fair value through profit or loss		
		Derivatives not designated as hedge	64.78	23.57
		Total Financial liabilities	**28,437.89**	**29,998.30**

53B Reconciliation of Level 3 fair value measurements:

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Opening balance	4.11	4.11
Total gains or (losses)		
Recognised in standalone statement of profit and loss.	-	-
Closing balance	**4.11**	**4.11**

Notes to the Standalone Financial Statements for the year ended March 31, 2023

54 Fair value

Fair value of financial assets and financial liabilities that are not measured at fair value but fair value disclosures are required :

(₹ in Lakhs)

	Carrying value		Fair value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Financial assets				
Trade receivables	8,537.21	11,782.62	8,537.21	11,782.62
Cash and cash equivalents	3,201.06	1,019.22	3,201.06	1,019.22
Bank balances other than cash and cash equivalents	2,303.75	2,055.31	2,303.75	2,055.31
Investments- Corporate fixed deposit	278.07	-	278.07	-
Loans	818.33	644.61	818.33	644.61
Other financial assets	2,189.42	1,176.34	2,189.42	1,176.34
Total assets	**17,327.84**	**16,678.10**	**17,327.84**	**16,678.10**
Financial liabilities				
Trade payables	5,301.91	4,556.64	5,301.91	4,556.64
Lease liabilities	439.10	479.05	439.10	479.05
Borrowings	21,679.59	23,614.59	21,679.59	23,614.59
Other financial liabilities	952.51	1,324.45	952.51	1,324.45
Derivatives not designated as hedge	64.78	23.57	64.78	23.57
Total liabilities	**28,437.89**	**29,998.30**	**28,437.89**	**29,998.30**

The financial assets above do not include investments in subsidiaries which are measured at cost, investments in mutual funds measured at fair value through profit and loss and investments in equity instruments measured at fair value through OCI.

The Management largely due to short term maturity consider that the carrying amounts of financial assets and financial liabilities recognised in the standalone financial statements approximate their fair values.

Fair value hierarchy

	March 31, 2023		March 31, 2022	
	Fair Value	Fair value hierarchy	Fair Value	Fair value hierarchy
Financial assets measured at fair value through Other comprehensive income				
Investments in equity shares-quoted	30.70	Level 1	24.60	Level 1
Investments in equity shares-unquoted	4.11	Level 3	4.11	Level 3
Financial Liabilities measured at fair value through profit or loss				
Derivatives not designated as hedge	64.78	Level 1	23.57	Level 2

Note 55 - Segment information:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The Managing Director of the Company is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CODM of the Company. The Company has identified the following segments as reporting segments based on the information reviewed by CODM.

The business segments have been identified considering :

a) the nature of products and services

b) the differing risks and returns

c) the internal organisation and management structure, and

d) the internal financial reporting systems

The segment information presented is in accordance with the accounting policies adopted by the Company. Segment revenues, expenses and results include inter-segment transfers.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

Note 55 - Segment information: (Contd.)

A) The primary reporting of the Company has been performed on the basis of business segments, viz:

Chemicals/Bulk Drug- Manufacturing and selling of chemicals, primarily bulk drugs and enzymes.

Property - Renting and sale of properties.

		2022-2023		
		2021-2022		
		Bulk Drug/Chemicals	**Property**	**Total**
a.	**Revenue**			
1	Segment revenue	**25,842.43**	**6,303.36**	**32,145.79**
		37,472.45	1,623.95	39,096.40
	Less : Inter-segment revenue	-	-	-
	Unallocated revenue (net)			**1,502.26**
				452.28
2	Total			**33,648.05**
				39,548.68
b.	**Result**			
1	Segment profit / (loss) befor tax and finance cost	**(3,204.40)**	**5,368.89**	**2,164.49**
		5,603.74	612.00	6,215.74
2	Finance costs			**2,094.23**
				1,722.60
3	Unallocable income/(expenditure) (net)			**19.87**
				(236.90)
4	Inter segment results			**-**
				-
5	Profit before tax and exceptional items			**90.13**
				4,256.24
6	Exceptional item (income)/expenditure			**5,958.92**
				(-)
7	Tax expense			
	- current tax			**-**
				740.75
	- deferred tax charge			-
				491.76
	- Adjustment of tax related to earlier years (credit) / charge			**(115.52)**
				-
7	Profit after tax/(loss) after tax			**(5,753.27)**
				3,023.73
c.	**Other information**			
1.	Segment assets	**50,867.14**	**3,461.53**	**54,328.67**
		51,238.24	7,057.10	58,295.34
2	Unallocated corporate assets			**12,137.03**
				12,969.29
3.	Total assets			**66,465.70**
				71264.63
4.	Segment liabilities	**6,172.35**	**3,982.16**	**10,154.51**
		4,459.35	1,192.86	5,652.21

Notes to the Standalone Financial Statements for the year ended March 31, 2023

Note 55 - Segment information: (Contd.)

		2022-2023 2021-2022		
		Bulk Drug/Chemicals	Property	Total
5.	Unallocated corporate liabilities			**22,904.10**
				26,015.23
6.	Total liabilities			**33,058.61**
				31,667.44
7.	Cost incurred during the year to acquire			
	- segment tangible and intangible assets	**4,048.95**	**-**	**4,048.95**
		3,712.83	-	3,712.83
	- unallocated segment tangible and intangible assets			-
				-
8.	Depreciation and amortization expense	**2,192.52**	**258.87**	**2,451.39**
		1,974.28	374.70	2,348.98
9	Unallocated depreciation			-
				18.43

B) Geographical information

Geographical information is reported on the basis of the geographical location of the customers. The management views the Indian market and export markets as distinct geographical markets.

Revenue by market – The following is the distribution of the Company's revenue by geographical market: (₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
India		
Bulk Drug/Chemicals	8,811.01	12,159.94
Property	6,303.36	1,623.95
Others	756.00	752.62
Europe - Bulk Drug/Chemicals	6,741.99	10,598.95
USA - Bulk Drug/Chemicals	2,149.77	3,563.52
Other countries - Bulk Drug/Chemicals	8,885.92	10,849.70
	33,648.05	**39,548.68**

Assets by geographical area – The following is the carrying amount of segment assets by geographical area in which the assets are located:

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
India		
Bulk Drug/Chemicals	50,867.14	51,238.24
Property	3,461.53	7,057.10
Total	**54,328.67**	**58,295.34**

The previous year figures have been reclassified to disclose balances under respective segments.

The Company's operating facilities are located in India.

The Company has not generated revenue aggregating more than 10% of the Company's total revenue from any customer during the period (March 31, 2022 ₹Nil).

Notes to the Standalone Financial Statements for the year ended March 31, 2023

56 Financial risk management objectives and policies

The Company is exposed to credit risk, liquidity risk and market risk. The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Board of Directors review and agree policies for managing each of these risks, which are summarised below.

a) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates, commodity prices and equity price risk). Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term borrowings. The Company is exposed to market risks related to foreign exchange rate risk, commodity rate risk, interest rate risk and other price risks, such as equity price risks. Thus, the Company's exposure to market risk is a function of borrowing activities, revenue generating and operating activities in foreign currencies.

i) Equity price risk

The Company's unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investments in securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. The Company's Board of Directors review and approve, all investments in the equity instruments.

As at March 31, 2023, the Company had exposure to equity securities measured at fair value. The changes in fair values of the equity investments were strongly positively co-related with changes in market index. As at March 31, 2022, the Company did not have material investments in / exposure to quoted or unquoted securities.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term and short term borrowings obligations with floating interest rates.

The Company manages it's interest rate risk by having a balanced portfolio of long term and short term borrowings.

For the years ended March 31, 2023 and March 31, 2022 every 50 basis point decrease in the floating interest rate component applicable to its loan and borrowings would increase the Company's profit by ₹117.39 Lakhs and ₹113.28 Lakhs respectively. A 50 basis point increase in floating interest rate would lead to an equal but opposite effect.

iii) Commodity rate risk

Exposure to market risk with respect to commodity prices primarily arises from the Company's purchases and sales of active pharmaceutical ingredients, including the raw material components for such active pharmaceutical ingredients. The prices of the Company's raw materials generally are stable. Cost of raw materials forms the largest portion of the Company's cost of revenues. A large portion of the Company's sales are subject to commodity rate risk having a volatile pricing. The Company monitors overall demand supply position and pricing movement to decide marketing strategies to overcome risk of changing prices of the products.

iv) Foreign currency risk

The Company's foreign exchange risk arises from its foreign currency revenues and expenses and foreign currency borrowings. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues and expenses measured in Indian rupees may decrease or increase and vice-versa. The exchange rate between the Indian rupee and these foreign currencies have changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Company largely uses the natural hedge to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognised assets and liabilities.

The year end foreign currency exposures that have not been hedged (before giving effects of natural hedge) by derivative instrument or otherwise are given below:

Notes to the Standalone Financial Statements for the year ended March 31, 2023

56 Financial risk management objectives and policies (Contd.)

A) Significant foreign currency risk exposure relating to trade receivables and cash and cash equivalents :

Financial assets	Currency	March 31, 2023		March 31, 2022	
		Amount in foreign currency (in Lakhs)	₹ in Lakhs	Amount in foreign currency (in Lakhs)	₹ in Lakhs
Cash and cash equivalents (including EEFC)	EURO	0.06	5.35	-	-
	USD	0.00	0.33	2.04	153.86
	SGD	0.02	1.05	0.02	0.92
	AED	0.01	0.19	0.01	0.17
	CHF	0.00	0.25	0.00	0.23
	OMR	0.00	0.74	0.00	0.69
	RUB	0.01	0.01	0.01	0.01
	BDT	0.09	0.00	-	-
	CAD	0.00	0.16	-	-
Loan	USD	8.50	698.33	8.50	642.26
Business advances	AED	0.05	1.22	-	-
	EURO	10.27	915.33	12.90	1,107.34
	USD	0.25	20.49	-	-
Trade receivables and other financial assets	USD	36.25	2,978.35	49.39	4,988.71
	EURO	60.07	5,351.01	59.27	3,732.41

B) Significant foreign currency risk exposure relating to borrowings and trade payables :

Particulars	Currency	March 31, 2023		March 31, 2022	
		Amount in foreign currency (in Lakhs)	₹ in Lakhs	Amount in foreign currency (in Lakhs)	₹ in Lakhs
Financial liabilities					
Trade payables	EURO	7.11	633.16	-	-
	USD	0.90	74.29	7.63	576.84
	SGD	0.00	0.03	-	-
Borrowings (PCFC)	EURO	34.69	3,090.35	30.38	2,556.69
	USD	-	-	15.71	1,187.23
External Commercial borrowing (ECB)	EURO	4.90	436.15	10.77	906.56
Foreign Currency Term Loan (FCTL)	EURO	40.67	3,623.29	14.17	1,193.08

C) Foreign currency sensitivity

For the years ended March 31, 2023 and March 31, 2022, every 5% strengthening in the exchange rate between the Indian rupee and the respective currencies for the above mentioned financial assets / liabilities would increase the Company's profit and increase the Company's total equity by approximately (net) ₹105.78 Lakhs and ₹122.83 Lakhs, respectively. A 5% weakening of the Indian rupee and the respective currencies would lead to equal but opposite effect. In Management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

56 Financial risk management objectives and policies (Contd.)

D) Derivative contracts

The Company is exposed to exchange rate risk that arises from its foreign exchange revenues and expenses, primarily in US Dollars and Euros and foreign currency debts in US dollars and Euros. The Company uses cross currency interest rate swap (known as, "derivatives") to mitigate its risk of changes in foreign currency exchange rates. The counterparty for these contracts is generally a bank.

The following table gives details in respect of the notional amount of outstanding foreign exchange derivative contract:

(₹ in Lakhs)

Particulars	Currency	Buy/Sell	Cross Currency	March 31, 2023	March 31, 2022
Derivatives not designated as hedges					
Cross currency interest rate swap	EUR	Buy	INR	64.78	23.57

b) Credit risk

Credit risk is the risk of financial loss, if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers, loans and other financial assets. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which the Company grants credit terms in the normal course of business.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure.

i) Trade receivables

The Company has used expected credit loss (ECL) model for assessing the impairment loss. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers. The Company evaluates the concentration of risk with respect to trade receivables which is low, as its customers are widely spread with small outstanding amounts (For detailed movement in provision for trade receivables - Refer note 16)

(₹ in Lakhs)

Trade receivables	March 31, 2023	March 31, 2022
Not due	7,195.93	8,078.46
Less than 6 months	2,631.08	2,822.10
6 months-1 year	428.94	266.77
1-2 years	110.02	39.20
2-3 years	25.54	667.50
Beyond 3 years	391.21	329.90
	10,782.72	**12,203.93**

ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. Credit risk in case of Intercorporate deposit given is managed by the Company in accordance with the Company's policy. ICD only be given out of surplus funds, are made only with the approval of the Board of Directors and are reviewed by the Board on an annual basis.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to settle or meet its obligations as they fall due. The Company's policy on liquidity risk is to maintain sufficient liquidity in the form of cash and investment in liquid banks deposits to meet the Company's operating requirements with an appropriate level of headroom. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

56 Financial risk management objectives and policies (Contd.)

i) Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

(₹ in Lakhs)

March 31, 2023	Less than 1 year	1 to 5 years	More than5 years	Total
Borrowings	13,325.63	8,319.96	34.00	21,679.59
Trade payables	5,301.91	-	-	5,301.91
Lease liabilities	68.97	102.92	267.21	439.10
Other financial liabilities (including derivatives not designated as hedge)	908.91	108.38	-	1,017.29
Total	**19,605.42**	**8,531.26**	**301.21**	**28,437.89**

(₹ in Lakhs)

March 31, 2022	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	12,146.34	7,634.77	3,833.48	23,614.59
Trade payables	4,556.64	-	-	4,556.64
Lease liabilities	107.28	112.75	259.02	479.05
Other financial liabilities	775.59	72.43	500.00	1,348.02
Total	**17,585.85**	**7,819.95**	**4,592.50**	**29,998.29**

The Company had unutilised credit limit of borrowing facilities as at March 31, 2023: ₹1211.87 lakhs and as at March 31, 2022 ₹4881.51 lakhs from banks.

57 Capital management

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern; and
- to provide an adequate return to shareholders through optimisation of debts and equity balance.

The Company monitors capital on the basis of the carrying amount of debt less Cash and cash equivalents presented on the face of the standalone financial statements. The Company's objective for capital management is to maintain an optimum overall financial structure.

(₹ in Lakhs)

(i) The gearing ratio at the end of the year was as follows:	March 31, 2023	March 31, 2022
Debts (Term loans and loans repayable on demand including current maturities of long term debts)	21,679.59	23,614.59
Less: Cash and cash equivalents (Refer note 17)	3,201.06	1,019.22
Net debt	**18,478.53**	**22,595.37**
Total equity	33,407.09	39,597.19
Net debt to equity ratio	55%	57%

(₹ in Lakhs)

(i) The gearing ratio at the end of the year was as follows:	March 31, 2023	March 31, 2022
Dividend on equity shares		
Dividend for the year ended March 31, 2022 of ₹1.25 per share on 2,94,30,987 equity shares of ₹5.00/- each, fully paid up (net of 5,83,665 equity shares of ₹5.00/- each which were held by ESOP Trust) [Refer note 22(a)]	360.59	721.18

Dividends not recognised at the end of the reporting period

The Board of Directors of the Company at its meeting held on May 29, 2023 have recommended dividend of ₹1.25 per share. The proposed dividend is subject to the approval of shareholders in the ensuring annual general meeting and hence not recognised as a liability.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

58 Investment properties

The Company's investment properties consist of Thane One Building and freehold land located at Majiwade Thane. Out of the 16 floors, ground to 13 floors have been considered as Investment property by the Management. In addition to the above, the Company has a freehold land at Takawe area.

Criteria used for classification of property as investment property

The Company has considered the following for classification of property as investment property:

(i) Investment property comprises building and other assets required to provide ancillary services to the occupants of the investment property.

(ii) The properties that are not occupied by the Company for use in production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation are classified as investment property.

The Company has a building which is primarily meant for renting is classified as an investment property, except for the part of that building which is used for administrative purposes, and hence classified as owner-occupied property. The Company has apportioned the cost of the property between investment property and owner-occupied property in the ratio of area used, respectively, as a percentage of total area.

The Company has sold part of its Investment in Property consisting of floors sales in Thane One IT/ITES building accordingly, total income on sale of Investment Property for the year March 31, 2023 is ₹4,772.82 lakhs and has been recognised as income under the head revenue from operation pertaining to property segment.

During the year the Company, Mr. Krishna Datla and Ms. Rajeshwari Datla on behalf of the Company entered in to ""Memorandum of Understanding"" to Sell Freehold land located at Village Takwe (Budruk), Tal – Maval District – Pune admeasuring 21.39 Acres, with M/s. D1 Enterprises (as the Proposed Assignor) to and in favour of Nipro Pharmapackaging India Private Limited (as the Proposed Purchaser) of said land. The Company has received an advance of ₹841.50 lakhs (net of tax).

Estimation of fair value

The fair value of the Investment Property has been determined in the financial period March 31, 2023 as ₹21626.49 Lakhs (March 31, 2022 as ₹31,564.54 Lakhs). The fair value has been arrived by using per sq. feet sale consideration of the floors sold in Thane One IT/ITES building during the year.

Amount recognised in Standalone statement of profit and loss

	March 31, 2023	March 31, 2022
Income from investment properties		
Rent	1,526.63	1,623.95
Sale of properties	4,772.82	-
Less: Direct operating expenses (including repairs and maintenance) generating income from investment properties	671.69	729.40
Income arising from investment properties	5,627.76	894.55
Less: Depreciation	(258.87)	(282.55)
Income/(loss) arising from investment properties after depreciation	**5,368.89**	**612.00**

Refer note 46(B) for operating lease arrangements and total future minimum lease rentals receivable.

Refer note 24 for the existence of restrictions on the realisability of investment property or the remittance of income and proceeds of disposal.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

59 Share-based payments

Employee share option plan of the Company

1.1 Details of the employee share option plan of the Company

This ESOP 2019 scheme has been framed pursuant to the Scheme of Amalgamation between the erstwhile Fermenta Biotech Limited ("Transferor Company") with the DIL Limited ("Transferee Company") and their respective shareholders. The Transferor Company prior to the Scheme of Amalgamation had implemented the 'Fermenta Biotech Limited - Employee Stock Option Plan 2019' and were granted employee stock options to its eligible employees. Further, the number of transferee options issued shall equal to the product of number of transferor options outstanding on effectiveness of Scheme multiplied by the Share exchange ratio (0.398) and each transferee option shall have an exercise price per equity share equal to transferor option exercise price per equity shares divided by the share exchange ratio (0.398) and fractions rounded off to the next higher whole number. The terms and conditions of ESOP 2019 Scheme of DIL Limited are not less favourable than those of ESOP Scheme of erstwhile Fermenta Biotech Limited. Under the ESOP 2019 Scheme, stock options have been issued to the eligible employees of erstwhile Fermenta Biotech Limited.

In accordance with the terms of the plan, as approved by the erstwhile shareholders of Fermenta Biotech Limited at an extra general meeting, executives and senior employees with the Company were granted options to purchase equity shares.

Each employee share option converts into one equity share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The number of options granted is calculated in accordance with the performance-based formula and is subject to approval by the remuneration committee. The formula rewards executives and senior employees to the extent of the Company's and the individual's achievement judged against both qualitative and quantitative criteria.

The following share-based payment arrangements were in existence during the current year: (₹ in Lakhs)

Options series	Number	Grant date	Expiry date	Exercise price (₹)	Fair value at grant date (₹ in Lakhs)
Plan 1 (60% of options granted under ESOP 2019)	1,01,614	25.02.2019, 12.08.2019 and 01.09.2020	25.02.2025, 12.08.2025 and 28.02.2025	83.67	421.71 and 298.16
Plan 1 (20% of options granted under ESOP 2019)	49,526	25.02.2019, 12.08.2019 and 01.09.2020	25.02.2026, 12.08.2026 and 28.02.2026	83.67	421.71 and 298.16
Plan 1 (20% of options granted under ESOP 2019)	28,270	25.02.2019, 12.08.2019 and 01.09.2020	25.02.2027, 12.08.2027 and 28.02.2027	83.67	421.71 and 298.16
Plan 2 (100% of options granted under ESOP 2019)	2,17,410	25.02.2019	25.02.2025	83.67	418.22

Options granted under ESOP 2019 shall vest not before 1 (one) year and not later than maximum Vesting Period of 5 (five) years from the date of grant of such Options. Subject to the minimum vesting period of one year, the Nomination and Remuneration Committee of the Board at its discretion approve for acceleration of Vesting of any or all unvested Options of the Option Grantee.

The above number of options, fair value at grant dates and exercise price were adjusted in accordance with the Share exchange ratio (0.398:1) as per the scheme of amalgamation.

The above number of options, were adjusted for the Forfeited/ cancallation of option for fullment of year end assessment of ESOP vesting conditions.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

59 Share-based payments (Contd.)

1.2 Fair value of share options granted

The weighted average fair value of the share options granted during the financial year is Nil (previous year ₹298.16). Options were priced using Black-Scholes option pricing model. Where relevant, the expected life used in the model has been calculated based on a weighted average of vests. Expected volatility is based on the historical share price information of similar listed entities.

Inputs into the model	Option series			
	Plan 1 (60% of options granted under ESOP 2019)	Plan 1 (20% of options granted under ESOP 2019)	Plan 1 (20% of options granted under ESOP 2019)	Plan 2 (100% of options granted under ESOP 2019)
Grant date share price (₹)	298.16 and 298.16	298.16 and 298.16	298.16 and 298.16	418.22
Exercise price (₹)	83.67	83.67	83.67	83.67
Expected volatility	69.28% and 65.33%	68.83% and 61.84%	68.08% and 60.02%	69.28%
Option life	4.51 years and 4 years	5.51 years and 5 years	6.51 years and 6 years	4.51 years
Dividend yield	0% and 0.57%	0% and 0.57%	0% and 0.57%	0.00%
Risk-free interest rate	7.14% and 5.22%	7.25% and 5.53%	7.35% and 5.78%	7.14%

1.3 Movements in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year:

	March 31, 2023		March 31, 2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at beginning of year	3,96,821	83.67	4,85,258	83.67
Granted during the year	-	-	-	-
Forfeited during the year	-	-	88,437	83.67
Bonus options issued during the year	-	-	-	-
Exercised during the year	9,981.00	83.67	-	-
Expired during the year	-	-	-	-
Balance at end of year	**3,86,840**	**-**	**3,96,821**	**-**

1.4 Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average exercise price of ₹83.67 (as at March 31, 2022: ₹83.67), and a weighted average remaining contractual life of 0.78 year.

During the year company reassess the number of options granted by calculating in accordance with the performance-based formula. The formula rewards executives and senior employees to the extent of the Company's and the individual's achievement judged against both qualitative and quantitative criteria and accordingly there was reversal of expenses recognised earlier resulting of gain (refer note 38)

Notes to the Standalone Financial Statements for the year ended March 31, 2023

60 Ratio

(₹ in Lakhs)

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variance	Reason for variance
Current Ratio	25,325.07	21,369.28	1.19	1.69	-29.83%	Due to provision of inventory and trade receivables
	(31,524.75)	(18,665.73)				
Debt-Equity Ratio	21,679.59	33,407.09	0.65	0.60	8.82%	*
	(23,614.59)	(39,597.19)				
Debt Service Coverage Ratio	4,782.75	5,274.21	0.91	1.73	-47.48%	Due to lower profitability
	(7,116.41)	(4,121.44)				
Return on Equity Ratio	205.65	36,502.14	0.01	0.09	-93.40%	Due to lower profitability
	(3,023.73)	(35,428.69)				
Inventory turnover Ratio	32,892.05	11,966.39	2.75	3.19	-13.87%	*
	(38,796.06)	(12,156.19)				
Trade Receivables turnover Ratio	32,892.05	9,261.91	3.55	3.97	-10.63%	*
	(38,796.06)	(9,763.45)				
Trade payables turnover Ratio	10,910.30	4,929.28	2.21	2.96	-25.32%	Due to increase of trade credit period
	(13,743.85)	(4,637.01)				
Net capital turnover Ratio	32,892.05	3,955.79	8.31	3.02	175.60%	Due to reduction of net working capital
	(38,796.06)	(12,859.02)				
Net profit Ratio	(5,753.27)	32,892.05	(0.17)	0.08	-324.42%	Due to lower profitability
	(3,023.73)	(38,796.06)				
Return on Capital employed	2,184.36	54,031.83	0.04	0.10	-58.03%	Due to lower profitability
	(5,978.84)	(62,076.66)				
Return on investment	Not applicable					

* Ratio variance below threshold limit defined as per Schedule III of Companies Act 2013.

Current Ratio :	Current Assets/ Current Liabilities
Debt – Equity Ratio :	Total Debt/Shareholder's Equity
Debt Service Coverage Ratio :	Earnings available for debt service/Debt Service Earning for Debt Service = Profit /(loss) after Tax before Exceptional Items + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc. Debt service = Interest & Lease Payments + Principal Repayments
Return on Equity (ROE) :	Net Profits/(loss) after taxes before Exceptional Items – Preference Dividend (if any)/Average Shareholder's Equity
Inventory Turnover Ratio :	Cost of goods sold OR sales/ Average Inventory Average inventory is (Opening + Closing balance / 2)
Trade receivables turnover Ratio :	Net Credit Sales/ Avg. Accounts Receivable Net credit sales consist of gross credit sales minus sales return. Trade receivables includes sundry debtors and bills receivables Average trade debtors = (Opening + Closing balance / 2)
Trade payables turnover Ratio :	Net Credit Purchases/ Average Trade Payables
Net capital turnover Ratio :	Net Sales / Working Capital Net sales shall be calculated as total sales minus sales returns. Working Capital shall be calculated as Current assets minus Current liabilities.
Net profit Ratio :	Net Profit/ Net Sales Net profit shall be after tax before exceptional items Net sales shall be calculated as total sales minus sales returns.
Return on capital employed (ROCE) :	Earning before interest and taxes and exceptional items/Capital Employed Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

Notes to the Standalone Financial Statements for the year ended March 31, 2023

61 The Company ('Fermenta') has signed a Binding Term Sheet on January 31, 2022 with Mextech Property Developers LLP ('Mextech') and granted development rights to Mextech for construction of residential-cum-comercial buildings in the balance portion of Thane land. In lieu of this the Company would receive residential flats on an area sharing basis aggregating 120,000 square feet RERA carpet area along with amenities. The Company has accordingly received ₹1,500 lakhs as a deposit from Mextech.

62 Relationship with Struck off companies

March 31,2023 (₹ in Lakhs)

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
Jaansi Sampark Consultancy	Payables	5.28	Service provider
March 31,2022			
CC Square Films Ltd.	Investments in securities	5.00	Subsidiary Company

63 Capitalisation of borrowing costs

During the year ended March 31, 2023, the Company capitalised the following borrowing costs attributable to qualifying assets to the cost of property, plant and equipment / capital work-in-progress (CWIP). Consequently, finance costs disclosed under note 39 are net of amounts capitalised by the Company.

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Finance costs (Including forex revaluation)	97.07	81.29
Total	**97.07**	**81.29**

64 The President has given his assent to the Code on Social Security, 2020 ("Code") in September 2020. On November 13, 2020 the Ministry of Labour and Employment released draft rules for the Code. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact once the subject rules are notified and will give appropriate impact to its financial statements in the period in which the Code becomes effective.

65 a) Details of funds advanced or loaned or the like provided to Intermediaries or on behalf of the Ultimate Beneficiaries as per Schedule III of Company act under Rule 11 (e)

Date	Amount	Currency	Name of intermediaries
10.01.2020	75,000	EURO	Inter Gest Germany GMBH
17.01.2020	1,00,000	EURO	Inter Gest Germany GMBH
03.02.2020	1,00,000	EURO	Inter Gest Germany GMBH
29.04.2020	1,75,000	EURO	Inter Gest Germany GMBH
01.10.2020	4,50,000	EURO	Inter Gest Germany GMBH
26.02.2021	60,000	EURO	Inter Gest Germany GMBH
22.04.2021	50,000	EURO	Inter Gest Germany GMBH
30.06.2021	40,000	EURO	Inter Gest Germany GMBH
05.08.2021	25,000	EURO	Inter Gest Germany GMBH
13.08.2021	35,000	EURO	Inter Gest Germany GMBH
09.09.2021	1,05,000	EURO	Inter Gest Germany GMBH
18.11.2021	75,000	EURO	Inter Gest Germany GMBH
08.12.2021	8,50,000	USD	Fermenta Biotech USA LLC

i) Inter Gest Germany GmbH as at March 31, 2023 ₹907.14 lakhs (as at March 31, 2022 ₹1107.34 lakhs)

Notes to the Standalone Financial Statements for the year ended March 31, 2023

Note 65 (Contd.)

ii) Fermenta Biotech USA LLC as at March 31, 2023 ₹698.33 lakhs (as at March 31, 2022 ₹642.26 lakhs)

b) Details of funds further advanced or loaned or the like provided by such Intermediaries to other intermediaries or Ultimate Beneficiaries as per Schedule III of Company act under Rule 11 (e)

Date	Amount	Currency	Name of Other intermediaries or Ultimate Beneficiaries.
20.01.2020	70,000	EURO	Fermenta Biotech GmbH
21.01.2020	20,000	EURO	Fermenta Biotech GmbH
23.01.2020	10,000	EURO	Fermenta Biotech GmbH
04.02.2020	25,000	EURO	Fermenta Biotech GmbH
05.02.2020	50,000	EURO	Fermenta Biotech GmbH
24.02.2020	25,000	EURO	Fermenta Biotech GmbH
30.04.2020	75,000	EURO	Fermenta Biotech GmbH
05.10.2020	4,50,000	EURO	Fermenta Biotech GmbH
01.03.2021	60,000	EURO	Fermenta Biotech GmbH
31.03.2021	1,75,000	EURO	Fermenta Biotech GmbH
01.06.2021	50,000	EURO	Fermenta Biotech GmbH
02.07.2021	40,000	EURO	Fermenta Biotech GmbH
06.08.2021	25,000	EURO	Fermenta Biotech GmbH
17.08.2021	35,000	EURO	Fermenta Biotech GmbH
14.09.2021	1,05,000	EURO	Fermenta Biotech GmbH
19.11.2021	75,000	EURO	Fermenta Biotech GmbH
20.12.2021	8,50,000	USD	Fermenta USA LLC

c) The Company has complied all the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999), Companies Act 2013 for such transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003) under Rule 11 (e).

66 Quarterly returns and statements of current assets for loans taken from Banks on the basis of security of current assets are filed by the Company with banks are in agreement with the books of accounts. Borrowings are continued to be classified as per their original repayment schedule as on 31 March 2023 upon subsequent receipt of consent from banks to waive testing of financial ratios and any penal provisions thereupon for breach of covenants under borrowing arrangements. (refer note 24 and 28)

67 Exceptional items:

Exceptional item	(₹ in Lakhs)
Inventory	1,940.54
Trade Receivables	2,280.03
Investment in subsidiary	831.21
Other advances	5958.92

The overall business of animal feed of the Company has considerably reduced as compared to the expectation on account of subdued global demands. Basis the earlier expectation of the Company of the animal feeds business, the Company had kept stock of semi-finished goods to be used for the production of such animal feed. Considering the immediate uncertainty on the recovery of animal feed global demand, as a prudency the Company had made provisions against the said inventory. Further, the company made provision against investments, recoverable of expenses and trade receivable from Ferment Biotech GmbH (wholly owned Subsidiary dealing in animal feed business) and other parties lakhs for the year ended March 31, 2023.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

68 The Board of Directors in its meeting held on January 31, 2022, approved the Composite Scheme of Amalgamation and Arrangement (""Scheme"") amongst DVK Investments Private Limited (Holding Company) and Aegean Properties Limited (Wholly owned subsidiary) with the Company in suppression of its earlier resolution passed on October 11, 2021. Subsequent to the balance sheet date, the Scheme has been approved by the National Company Law Tribunal, Mumbai Bench (NCLT) on May 8, 2023. As per the scheme, the merger shall be given effect from the appointed date which is the date of filing of the scheme with the Registrar of Companies (ROC). The Company has filed the certified copies of the NCLT orders along with the Scheme with the Registrar of Companies, Mumbai on May 24, 2023, which shall be considered the appointed date and effective date of the merger as per the Scheme. Accordingly, the impact of the merger has not been given effect to in the financial statements for the year ended March 31, 2023.

69 Previous year figures have been re-grouped /re-classified wherever necessary

70 Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property

(ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

(iv) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the year ended 31st March,2023.

71 The Standalone financial statements were approved for issue by the Board of Directors on May 29, 2023.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Poonam Todarwal**
Partner
Membership No. 136454

Thane, May 29, 2023

For and on behalf of the Board of directors of
Fermenta Biotech Limited

Krishna Datla
Executive Vice-Chairman
DIN 00003247

Prashant Nagre
Managing Director
DIN 09165447

Sumesh Gandhi
Chief Financial Officer
Thane, May 29, 2023

Srikant N. Sharma
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report

To
the Members of
Fermenta Biotech Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Fermenta Biotech Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate comprising of the consolidated Balance sheet as at March 31 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2023, their consolidated loss including other comprehensive loss, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group, associate in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment assessment of Goodwill (as described in Note 6B of the consolidated financial statements)	
As at March 31, 2023, the group has carrying amount of Goodwill of ₹740.25 lakh arising on acquisition of its subsidiary namely Fermenta USA LLC. In accordance with the requirements of Ind AS 36 Impairment of Assets, the group performs an annual impairment assessment of Goodwill and the corresponding cash generating units to determine whether the recoverable value is below the carrying amount as at March 31, 2023.	Our audit procedures included the following: • We obtained and read management's assessment for impairment. • Evaluated the design and implementation and tested the operating effectiveness of key internal financial controls related to the Group's process relating to review of the impairment analysis.

Key audit matters	How our audit addressed the key audit matter
For this purpose, the recoverable value of the cash generating unit is based on the value in use model, which has been derived from the discounted cash flow model. The model requires the group to make significant assumptions such as discount rate, near and long-term revenue growth rate and projected margins which involves inherent uncertainty since they are based on future business prospects and economic outlook. Considering the materiality of amounts involved together with the inherent subjectivity related to principal assumptions, which are dependent on current and future economic factors and trading conditions varying for different businesses and geographical territories, assessment of carrying values of goodwill and intangibles is considered to be complex and determined to be a key audit matter in our current period audit.	• Assessed impairment model prepared by the management and the reasonableness of the assumptions used around the key drivers (cash flow forecasts, discount rates, expected growth rates, forecasted margins and terminal growth rates) based on our knowledge of the business and Industry. Compared the historical accuracy by comparing past forecasts to actual results achieved. • Assessed the recoverable value headroom by performing sensitivity testing of key assumptions used. • Tested the arithmetical accuracy of the computation of recoverable amounts of cash generating units • Assessed the adequacy of disclosures made in the consolidated financial statements
Recoverability of Minimum Alternate Tax (MAT) credit entitlement included under deferred tax assets (as described in Note 59 of the consoldiated financial statements)	
The Parent Company has recognised deferred tax assets amounting to ₹5,218.86 lakh representing Minimum Alternate Tax (MAT) credit entitlement, pursuant to the provisions of Section 115JB of the Income-tax Act, 1961 and related rules. Unused tax credits in the form of MAT credits is recognized to the extent there is convincing evidence that sufficient taxable profits will be available in the future against which such MAT credit can be utilized. The recoverability of such MAT credit entitlement is considered as a key audit matter as it involves significant management judgement including accounting estimates relating to profitability forecasts, availability of sufficient taxable income in the future and recoverability within the specified period of time.	Our audit procedures included the following: • Evaluated the Group's accounting policies with respect to recognition of deferred taxes in accordance with Ind AS 12 "Income Taxes". • Evaluated the design and implementation and tested the operating effectiveness of key internal financial controls related to the assessment of recoverability of MAT credit entitlement. • Obtained and analysed the future projections of taxable profits estimated by management and assessed the key assumptions used and the reasonableness of the future cash flow projections. • Assessed the sensitivity analysis applied by the Group and evaluated if any change in the assumptions will lead to any material change utilisation of the MAT credit entitlement. • Assessed the adequacy of disclosures made in the consolidated financial statements
Provision for Inventory obsolescence (as described in Note 15 of the consolidated financial statements).	
As at March 31, 2023, the carrying amount of inventories amounted to ₹13,013.98 lakh after considering allowances for Inventory towards semi-finished goods and finished goods Inventories are carried at lower of cost and net realisable value in accordance with the accounting policy of the Group. The Group makes provision for inventory based on category of products, experience, age of Inventory, current trend and future expectations of forecast inventory demand, product expiry dates, estimates for future selling price and plans to dispose of inventories that are close to expiry. The provision for inventory obsolescence has been considered as a key audit matter, as determination of provision for inventory involves significant management judgment and estimates.	Our audit procedures included the following: • Obtained an understanding of management's process to identify slow-moving, obsolete and other non-saleable inventory, and process of consequent measurement of required provision for obsolescence. • Evaluated the design, implementation and tested the operating effectiveness of key controls that the Group has in relation to aforesaid process • For the provisions made in respect of expired or near expiry inventory balances, tested such identification from the batch-wise expiry information and reperformed computations to validate the accuracy and completeness of such provision estimates

Key audit matters	How our audit addressed the key audit matter
	• For provisions made in respect of slow moving and non-saleable Inventory, discussed with management the triggers taken into account for such identification and evaluated the same in view of our understanding of the business and industry conditions. Assessed the management's estimates regarding the expected timing by which the balance inventory of aforesaid specific products would be sold basis past trends and market conditions. Further, reperformed computations to validate the accuracy and completeness of such provision estimates. Also compared carrying cost to recent sales or to the estimated selling price applied in assessing the Net Realizable Value. • Assessed the adequacy of disclosures made in the consolidated financial statements

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the report, but does not include the consolidated financial statements and our auditor's report thereon. The report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of their respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of four subsidiaries whose financial statements include total assets of ₹4,185.85 lakh as at March 31, 2023, and total revenues of ₹4,344.04 lakh and net cash inflows of ₹17.30 lakh for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

(b) The consolidated financial statements of the Company for the year ended March 31, 2022, included in these consolidated financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 30, 2022.

(c) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of 2 subsidiaries whose financial statements and other financial information reflect total assets of ₹40.83 lakh as at March 31, 2023, and total revenues of ₹Nil lakh and net cash inflows of ₹ Nil lakh for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated financial statements also include the Group's share of net loss of ₹ Nil lakh for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of 1 associate, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries and associate and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associate, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

   (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report

   (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

      i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate in its consolidated financial statements – Refer Note 63 to the consolidated financial statements;

      ii. The Group and its associate did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary incorporated in India during the year ended March 31, 2023.

iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries, from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) The final dividend paid by the Holding Company incorporated in India during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company, its subsidiary companies incorporated in India, hence reporting under this clause is not applicable.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Poonam Todarwal**
Partner
Membership Number: 136454
UDIN: 23136454BGZFEH7608
Place of Signature: Mumbai
Date: May 29, 2023

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

Entity Name	CIN	Holding/ Subsidiary	Clause number of the CARO report which is qualified or is adverse
Fermenta Biotech Limited	L99999MH1951PLC008485	Holding Company	(i) (c)
			(iii) (c)
			(iii) (d)
			(iii) (f)
			(vii) (a)

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Poonam Todarwal**
Partner
Membership Number: 136454
UDIN: 23136454BGZFEH7608
Place of Signature: Mumbai
Date: May 29, 2023

Annexure 2 to the Independent Auditor's Report of even date on the consolidated financial statements of Fermenta Biotech Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Fermenta Biotech Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Parent Company and the subsidiary, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to 1 subsidiary which is company incorporated in India, is based on the corresponding reports of the auditor of such subsidiary incorporated in India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Poonam Todarwal**
Partner
Membership Number: 136454
UDIN: 23136454BGZFEH7608
Place of Signature: Mumbai
Date: May 29, 2023

Consolidated Balance Sheet as at March 31, 2023

(₹ in Lakhs)

	Notes	March 31, 2023	March 31, 2022
ASSETS			
Non-current assets			
a) Property, plant and equipment	3	20,484.95	19,347.38
b) Capital work-in-progress	4	4,190.25	2,989.34
c) Right-of-use assets	5	1,171.45	1,395.97
d) Investment property	6A	2,870.85	6,727.63
e) Goodwill	6B	1,153.04	1,095.45
f) Other intangible assets	7	1,015.23	1,292.36
g) Intangible assets under development	8	311.96	467.16
h) Investments in an associate	9A	-	-
i) Financial assets			
i) Investments	9B	34.81	28.71
ii) Share application money	10	-	-
iii) Loans	11	17.50	0.85
iv) Others financial assets	12	2,104.26	669.16
j) Deferred tax assets (net)	59C	3,325.80	3,599.43
k) Non-current tax assets (net)	13	966.79	1,318.51
l) Other non-current assets	14	636.37	350.31
Total non-current assets		**38,283.26**	**39,282.26**
Current assets			
a) Inventories	15	13,013.98	15,947.65
b) Financial assets			
i) Trade receivables	16	4,164.94	8,709.01
ii) Cash and cash equivalents	17	3,524.16	1,305.61
iii) Bank balances other than (ii) above	18	2,303.75	2,055.31
(iv) Investments		278.07	-
iv) Loans	19	102.50	1.50
v) Other financial assets	20	33.67	27.71
c) Other current assets	21	1,554.40	3,355.20
d) Contract Assets		321.98	-
Total current assets		**25,297.45**	**31,401.99**
TOTAL ASSETS		**63,580.71**	**70,684.25**
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	22	1,442.87	1,442.37
b) Other equity	23	30,020.62	35,771.10
Equity attributable to owners of the Company		**31,463.49**	**37,213.47**
Non-controlling interests		(274.90)	(68.28)
Total equity		**31,188.59**	**37,145.19**
Liabilities			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	24	8,358.90	11,468.25
ii) Lease liabilities	45	199.11	196.78
iii) Other financial liabilities	25	108.38	72.43
b) Provisions	26	462.46	564.83
c) Other non-current liabilities	27	2,394.40	524.43
Total non-current liabilities		**11,523.25**	**12,826.72**
Current liabilities			
a) Financial liabilities			
i) Borrowings	28	13,325.62	12,146.34
ii) Lease liabilities	45	68.67	106.98
iii) Trade payables			
A) Total outstanding dues of micro and small enterprises and;	29 & 64	280.47	224.72
B) Total outstanding dues of creditors other than micro and small enterprises	29	4,299.01	6,233.25
iv) Other financial liabilities	30	908.34	1,275.62
b) Other current liabilities	31	1,686.48	590.38
c) Provisions	32	258.22	103.04
d) Current tax liabilities (net)	33	32.53	32.01
e) Contract Liability		9.53	-
Total current liabilities		**20,868.87**	**20,712.34**
TOTAL EQUITY AND LIABILITIES		**63,580.71**	**70,684.25**

See accompanying notes to the Consolidated financial statements 1 to 75

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Poonam Todarwal
Partner
Membership No. 136454

Thane, May 29, 2023

For and on behalf of the Board of Directors of
Fermenta Biotech Limited

Krishna Datla
Executive Vice-Chairman
DIN 00003247

Prashant Nagre
Managing Director
DIN 09165447

Sumesh Gandhi
Chief Financial Officer
Thane, May 29, 2023

Srikant N. Sharma
Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2023

(₹ in Lakhs)

	Note	March 31,2023	March 31, 2022
Income:			
Revenue from operations	34	34,994.39	39,851.57
Other income	35	769.38	813.59
Total Income		**35,763.77**	**40,665.16**
Expenses:			
Cost of materials consumed	36	11,201.59	13,218.76
Purchases of stock-in-trade		1,902.46	1,469.72
Changes in inventories of finished goods, stock-in-trade and work-in-progress	37	2,251.40	627.42
Employee benefits expense	38	5,791.03	6,296.73
Finance costs	39	2,078.23	1,708.43
Depreciation and amortisation expense	40	2,824.75	2,556.16
Other expenses	41	12,053.99	12,093.63
Total expenses		**38,103.45**	**37,970.85**
Profit / (Loss) before Exceptional Items and tax		**(2,339.68)**	**2,694.31**
Exceptional Items loss	72	2,847.68	-
Profit / (Loss) after exceptional items		**(5,187.36)**	**2,694.31**
Tax expense/(credit):			
Current tax	59A	3.56	743.71
Adjusment of tax related to earlier years	59A	(115.57)	-
Deferred tax charge	59A	280.07	444.54
Total tax expense		**168.06**	**1,188.25**
Profit/(loss)for the year		**(5,355.42)**	**1,506.06**
Other comprehensive (loss):			
Items that will not be reclassified to profit or loss			
a) (i) Remeasurements of defined benefit plan		11.16	(29.53)
(ii) Income tax relating to remeasurements of defined benefit plan		-	9.70
b) Net fair value change in investment in equity instruments through other comprehensive income (net of tax)		6.10	-
Items that will be reclassified to profit or loss			
Exchange differences in translating the financial statements of foreign operations		(164.74)	81.13
Total other comprehensive income / (loss) for the year (a+b)		**(147.48)**	**61.30**
Total comprehensive income/(loss) for the year		**(5,502.90)**	**1,567.36**
Profit/(Loss) for the year attributable to:			
- Owners of the Company		(5,149.77)	1,544.71
- Non-controlling interests		(205.65)	(38.65)
		(5,355.42)	**1,506.06**
Total other comprehensive income / (loss) for the year			
- Owners of the Company		(147.48)	61.30
- Non-controlling interests		-	-
		(147.48)	**61.30**
Total comprehensive income/ (loss) for the year attributable to:			
- Owners of the Company		(5,297.25)	1,606.01
- Non-controlling interests		(205.65)	(38.65)
		(5,502.90)	**1,567.36**
Earnings per equity share of ₹5 each before exceptional items	43		
Basic (in ₹)		(7.98)	5.35
Diluted (in ₹)		(7.98)	5.33
Earnings per equity share of ₹5 each after exceptional items			
Basic (in ₹)		(17.85)	5.35
Diluted (in ₹)		(17.85)	5.33

See accompanying notes to the Consolidated financial statements 1 to 75

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Poonam Todarwal
Partner
Membership No. 136454

Thane, May 29, 2023

For and on behalf of the Board of Directors of
Fermenta Biotech Limited

Krishna Datla
Executive Vice-Chairman
DIN 00003247

Prashant Nagre
Managing Director
DIN 09165447

Sumesh Gandhi
Chief Financial Officer
Thane, May 29, 2023

Srikant N. Sharma
Company Secretary

Consolidated Statement of Changes in Equity for the year ended March 31, 2023

(a) Equity share capital

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Balance at the beginning of the year	1,442.37	1,442.37
Add: Shares issued during the year on stock option exercise	0.50	-
Balance at the end of the year	**1,442.87**	**1,442.37**

(b) Other equity

	Reserves and surplus								Items of other comprehensive income		Attributable to the Owners of the Parent Company	Non Controlling Interest	Total
	Capital reserve	Capital reserve pursuant to amalgamation	Capital redemption reserve	Securities premium reserve	Unrealised gain/(loss) on dilution	General reserve	Share options outstanding account	Retained earnings	Foreign currency translation reserve	Equity instruments through OCI			
Balance as at April 01, 2021	1,140.00	1,074.20	70.00	-	(4,242.23)	3,545.80	1,199.54	31,838.12	(31.30)	22.52	34,616.65	(29.63)	34,587.02
Profit for the year	-	-	-		-	-	-	1,544.71	-	-	1,544.71	(38.65)	1,506.06
Payment of dividend (Gross)	-	-	-		-	-	-	(721.18)	-	-	(721.18)	-	(721.18)
Recognition of share based payments (Expense)	-	-	-		-	-	269.62	-	-	-	269.62	-	269.62
Other comprehensive income for the year	-	-	-		-	-	-	(23.60)	81.13	3.77	61.30	-	61.30
Balance as at March 31, 2022	**1,140.00**	**1,074.20**	**70.00**	**-**	**(4,242.23)**	**3,545.80**	**1,469.16**	**32,638.05**	**49.83**	**26.29**	**35,771.10**	**(68.28)**	**35,702.82**
Loss for the year	-	-	-		-	-	-	(5,149.77)	-	-	(5,149.77)	(205.65)	(5,355.42)
Transfer to equity share capital on excerise of options				42.09			(42.09)				-		-
Premium on issue of equity share on stock option excerise				7.85							7.85		7.85
Payment of dividend (Gross)	-	-	-		-	-	-	(360.59)	-	-	(360.59)		(360.59)
Payment towards aquisition of minority interest					-			1.36			1.36	(0.97)	0.39
Recognition of share based payments (Gain)	-	-	-		-	-	(101.85)	-	-	-	(101.85)	-	(101.85)
Other comprehensive income for the year	-	-	-		-	-	-	11.16	(164.74)	6.10	(147.48)	-	(147.48)
Balance as at March 31, 2023	**1,140.00**	**1,074.20**	**70.00**	**49.94**	**(4,242.23)**	**3,545.80**	**1,325.22**	**27,140.21**	**(114.91)**	**32.39**	**30,020.62**	**(274.90)**	**29,745.72**

See accompanying notes to the Consolidated financial statements 1 to 75

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Poonam Todarwal
Partner
Membership No. 136454

Thane, May 29, 2023

For and on behalf of the Board of Directors of Fermenta Biotech Limited

Krishna Datla
Executive Vice-Chairman
DIN 00003247

Prashant Nagre
Managing Director
DIN 09165447

Sumesh Gandhi
Chief Financial Officer
Thane, May 29, 2023

Srikant N. Sharma
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2023

(₹ in Lakhs)

PARTICULARS	March 31, 2023	March 31, 2022
A. Cash flows from operating activities		
Profit/(loss)before tax and after Exceptional Items	(5,187.36)	2,694.31
Adjustments for:		
Depreciation and amortisation expense	2,824.75	2,556.16
Net unrealised foreign exchange gain	(124.24)	(52.14)
Loss/(gain) on sale / write off of property, plant and equipment and investment property (net)	(4,741.34)	2.67
Proceeds on sale of Investment Property	9,217.16	-
Allowance for doubtful debts	51.62	141.25
Expenses charged/reversed on Employee Stock Option	(101.85)	269.65
Finance costs	2,078.23	1,708.43
Interest income	(203.54)	(131.63)
Dividend income	(0.63)	-
Liabilities / provisions no longer required written back	(351.85)	(92.78)
Trade receivables and advances written off	478.34	3.44
Net (gain)/loss on fair value changes of derivatives measured at FVTPL	41.21	(86.58)
Exceptional Items (Allowance for Inventory and Investment)	2,847.68	-
Operating profit before working capital changes	**6,828.18**	**7,012.78**
Movements in working capital:		
(Increase)/decrease in trade receivables	3,530.72	(1,701.66)
Decrease in inventories	993.13	279.40
(Increase) in other assets	(229.43)	(584.31)
Increase/(decrease) in trade payables	(1,527.12)	312.95
Increase in provisions	41.65	184.15
Increase/(decrease) in other liabilities	1,683.72	(228.35)
Cash generated from operations	**11,320.85**	**5,274.96**
Income taxes (paid)/ refund	348.68	(930.84)
Net cash generated from operations (A)	**11,669.53**	**4,344.12**
B. Cash flows from investing activities		
Payments for purchase of property, plant and equipment, capital work-in-progress, intangible assets and intangible assets under development	(4,048.94)	(3,712.82)
Proceeds on sale of property, plant and equipment	3.45	9.08
Proceeds from Intercorporate deposits placed	(120.00)	476.10
Interest received	169.55	235.83
Loan given to employees	2.35	-
Dividend received	0.63	-
Deposits placed with financial institution (net)	(15.78)	(50.93)
Fixed Deposits with banks (placed)/ realised	(1,623.26)	438.98
Net cash used in investing activities (B)	**(5,632.00)**	**(2,603.76)**

Consolidated Cash Flow Statement for the year ended March 31, 2023

(₹ in Lakhs)

PARTICULARS	March 31, 2023	March 31, 2022
C. Cash flows from financing activities		
Proceeds from non current borrowings	3,630.84	2,430.46
Repayment of Borrowings	(5,395.72)	(2,122.99)
Proceeds from current borrowings	229.14	59.71
Finance cost paid	(2,054.34)	(1,667.27)
Repayment of Lease Liabilities	(127.94)	(136.57)
Dividends paid	(360.59)	(721.18)
Net cash used in financing activities (C)	**(4,078.61)**	**(2,157.84)**
Net increase / (decrease) in cash and cash equivalents (A)+(B)+(C)	**1,958.92**	**(417.48)**
Cash and cash equivalents at the beginning of the year	(188.35)	229.13
Cash and cash equivalents at the end of the year	**1,770.57**	**(188.35)**
Components of cash and cash equivalents		
Cash on hand	4.38	7.05
Balances with banks		
In current accounts	3,507.26	1,185.16
Deposits with original maturity of less than 3 months	12.52	113.40
Cash and cash equivalents (Refer note 17)	**3,524.16**	**1,305.61**
Cash credit and Bank overdraft facilities (Refer note 28)	(1,753.59)	(1,493.96)
Total cash and cash equivalents considered for cash flows	**1,770.57**	**(188.35)**

See accompanying notes to the Consolidated financial statements 1 to 75

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Poonam Todarwal
Partner
Membership No. 136454

Thane, May 29, 2023

For and on behalf of the Board of Directors of
Fermenta Biotech Limited

Krishna Datla
Executive Vice-Chairman
DIN 00003247

Prashant Nagre
Managing Director
DIN 09165447

Sumesh Gandhi
Chief Financial Officer
Thane, May 29, 2023

Srikant N. Sharma
Company Secretary

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

1. Corporate information

Fermenta Biotech Limited (Formerly Known as DIL Limited or 'the Parent Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1913. Its shares are listed on Bombay Stock Exchange. The registered office of the Company is located at A- 1501, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (West) 400610. The Parent Company is engaged in the business of manufacturing and marketing of chemicals, bulk drugs, enzymes, pharmaceutical formulations and environmental solution products and renting properties. The Parent Company caters to both domestic and international markets. The Parent Company also has strategic investments in subsidiaries / associate companies primarily dealing in manufacturing and marketing bulk drugs and providing services of sporting and health awareness activities / education activities.

2. Significant accounting policies

2.1 Statement of compliance

The consolidated financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards)Rules, 2015 (as amended from time to time) and presentation and disclosures requirement of Division II of revised Schedule III of the Companies Act 2013, (Ind AS Compliant Schedule III), as applicable to consolidated financials.

2.2 Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis, except for: (i) certain financial instruments that are measured at fair values at the end of each reporting period; and (ii) defined benefit plan – plan assets that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

a) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, share based payment transactions that are within the scope of Ind AS 102 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent Company, and its subsidiaries as disclosed in Note 47. Control is achieved when the Parent Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee and
- has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiary.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Profit or loss and each component or other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owner of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-Group balances, transactions including unrealised gain / loss from such transactions and cash flows relating to transactions between members of the Group are eliminated upon consolidation.

(c) Operating cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets/liabilities and their realization/settlement in cash and cash equivalents, the Group has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

(d) Changes in the Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in 'Other equity' under 'gain / (loss) on dilution' and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(e) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(f) Investments in associates and joint ventures

Associates are those entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entities but is not control or joint control of those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. The joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. The carrying value of the Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. When the Group's share of losses of an associate or a joint venture exceeds its interest in that associate or joint venture, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has obligations or has made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture and discontinues from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there any is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

g) Foreign currencies

Foreign currency transactions

In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are translated at exchange rates at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate). When a foreign operation is disposed of, the relevant amount in the Foreign Currency Translation Reserve is reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates that do not result in the Group losing significant influence), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

(h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(i) Employee Benefits

i) Short term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

ii) Termination benefits:

A) Defined contribution plans: The Group contributes towards state governed provident fund scheme, employee state insurance scheme (ESIC) and labour welfare fund to all applicable employees and superannuation scheme for eligible employees. The Group has no further payment obligations once the contributions have been paid. Hence payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

B) Defined benefit plan: The employees' gratuity fund scheme represents the defined benefit plan. The cost of providing benefits is determined using projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of changes to the assets (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

i) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

ii) net interest expenses or income; and

iii) remeasurement The Group presents the first two components of defined benefit costs in the consolidated statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service cost.

iii) Share-based payments:

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 60.

(a) Includes impact of market performance conditions (e.g. entity's share price)

(b) Excludes impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and

(c) Excludes the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time)

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the "Share options outstanding account.

(j) Income Taxes

Income Tax expense represents the sum of the tax currently payable and deferred tax.

i) Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. The recognition of taxes that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances

ii) Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit under the Income Tax Act, 1961.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognized for all the deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternate Tax ('MAT') credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

iii) Presentation of current and deferred tax:

Current and deferred tax are recognized in the profit and loss, except when they relate to items that are recognised in Other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Group has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

(k) Revenue recognition

The Group derives revenues primarily from sale of manufactured chemicals, bulk drugs, enzymes, pharmaceutical formulations, environmental solution products and rental income from investment property. Revenue is measured at the transaction price (net of variable consideration) received or receivable, taking into account contractually defined terms of payment, various discounts and schemes offered by the Company and excluding taxes or duties collected on behalf of the government.

Sale of Goods:

The Group recognises revenue when it transfers control of a product or service to a customer. The control of goods is transferred to the customer depending upon the incoterms or as agreed with customer or delivery basis. Control is considered to be transferred to the customer:

- when the customer has ability to direct the use of such goods and obtain substantially all the benefits from it such as following delivery,
- the customer has full discretion over the manner of distribution and price to sell the goods,
- the customer has the primary responsibility when selling the goods and bears the risks of obsolescence and loss in relation to the goods.

Recognition of revenue from contractual projects

Revenue from contractual project is recognized over time, using an input method with reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs.

The Group recognizes revenue only when it can reasonably measure its progress in satisfying the performance obligation. Until such time, the Company recognizes revenue to the extent of cost incurred, provided the Group expects to recover the costs incurred towards satisfying the performance obligation.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately when such probability is determined.

Rental income from investment property

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Rendering of services:

Revenue from services rendered is recognised pro-rata over the period of the contract as the underlying services are performed.

Infrastructure support services, consists of maintenance of common area in the investment property and supply of essentials. Revenue from such services are recognised in accordance with the terms of the agreement entered into with individual lessees.

Interest and dividend:

Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Interest on income tax refund is recognised on receipt of refund order.

Dividend income is recognized when the Group's right to receive payment is established which is generally when shareholders approve the dividend.

Export Incentives:

Duty free imports of raw materials under Advance License for imports as per the Import and Export Policy are matched with the exports made against the said licenses and net benefit / obligation is accounted by making suitable adjustments in raw material consumption.

The benefit under the Duty Drawback, Mercantile Export Incentive Scheme and other schemes as per the Import and Export policy in respect of exports made under the said schemes is included as 'Export Incentives' under the head "Other Operating Revenue" in the consolidated statement of profit and loss and is accounted in the year of export.

(l) Property, plant and equipment (PPE)

Measurement at recognition:

Items of property, plant and equipment are stated in balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of property, plant and equipment and is recognised in profit or loss.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and capital work-in-progress) less their residual values on straight-line method over their useful lives as indicated in Part C of Schedule II of the Companies Act, 2013. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

The estimated useful lives of property, plant and equipment are as follows:

Assets	Estimated useful
life (in years)	
Buildings	30-60
Lease hold improvements (included in buildings)	5-10
Plant and equipment	5-20
Office Equipment (included in plant and equipment)	5-6
Computers (included in plant and equipment)	3-6
Furniture and fixtures	6-10
Vehicles	8

(m) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured-initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 requirements for cost model.

Transfers to, or from, investment property shall be made when, and only when, there is a change in use, evidenced by:

(a) commencement of owner-occupation, for a transfer from investment property to owner-occupied property

(b) commencement of development with a view to sale, for a transfer from investment property to inventories

(c) end of owner-occupation, for a transfer from owner-occupied property to investment property;

(d) commencement of an operating lease to another party, for a transfer from inventories to investment property

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Assets	Estimated useful life (in years)
Building	60
Plant and equipment	15

(n) Intangible assets

(a) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. The amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from use or disposal. Any gain or loss arising from derecognition of an intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in consolidated statement of profit and loss when the assets is derecognised.

(b) Internally-generated intangible assets - Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An Internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if and only if, all the below stated conditions are fulfilled:

(i) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

(ii) its intention to complete the asset and use or sell it;

(iii) its ability to use or sell the asset;

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

(iv) how the asset will generate probable future economic benefits;

(v) the availability of adequate resources to complete the development and to use or sell the asset; and

(vi) the ability to measure reliably the expenditure attributable to the intangible asset during development.

The amount initially recognised for internally-generated intangible assets is the sum of expenditure incurred from the date when the intangible assets first meets the recognition criteria listed above. Where no internally-generated intangible assets can be recognised, development expenditure is recognised in the consolidated statement of profit and loss in the period in which incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible as intangible assets that are acquired separately.

The estimated useful lives of intangible assets are as follows:

Assets	Estimated useful life (in years)
Computer software	3-6
Product know-how	3-5

(o) Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the assets belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for a reasonable and consistent allocation basis to be identified.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

(i) in the case of an individual asset, at the higher of the net selling price and the value in use; and

(ii) in the case of a cash generating unit (a Group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

[The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the Group suitably adjusted for risks specified to the estimated cash flows of the asset.]

For this purpose, a cash generating unit is ascertained as the smallest identifiable Group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

If recoverable amount of an asset (or a cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the consolidated statement of profit and loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or a cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit and loss.

(p) Impairment of goodwill

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Any impairment loss for goodwill is recognised directly in profit or loss and is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

(q) Inventories

Inventories consisting of raw materials and packing materials, work-in-progress, stock-in-trade and finished goods are measured at the lower of cost and net realisable value. The cost of all categories of inventories is based on the weighted average method. Cost of raw materials and packing materials and stock-in-trade comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct material, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

(r) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets

Initial recognition and measurement:

All financial assets are recognised initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets are added to the fair value of the financial asset on initial recognition. Transaction costs directly attributable to the acquisition of financial assets as at fair value through profit or loss are recognised immediately in profit or loss. All regular way purchases or sales of financial assets are recognised or derecognised on a trade date basis. Regular way purchases or sales of financial assets are financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories -

(1) Debt instruments at amortised cost

(2) Debt instruments at fair value through other comprehensive income (FVTOCI)

(3) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

(4) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

(1) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost, if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income of the Statement of profit and loss. The losses arising from impairment are recognised in the Statement of profit or loss.

(2) Debt instrument at FVTOCI

A 'debt instrument' is measured as at FVTOCI, if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the contractual terms of the instrument that give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

- Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

(3) Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

(4) Equity Instruments

All equity Instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument including foreign exchange gain or loss, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to consolidated statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

1) The contractual rights to receive cash flows from the asset have expired, or

2) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

   (a) The Group has transferred substantially all the risks and rewards of the asset, or

   (b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement; in that case the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial assets, and guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit adjusted effective interest rate for purchase or originated credit-impaired financial assets). The Group estimates cash flow by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if the default occurs within the 12-months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12-months.

If the Group's measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risks has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increase in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

Financial liabilities and equity instruments

Classification as debts or equity:

Debts and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue cost.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in consolidated statement of profit and loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities:

Initial recognition and measurement:

All financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are deducted from the fair value of the financial liabilities on initial recognition. Transaction costs directly attributable to the issue of financial liabilities as at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent measurement:

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts, issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit, or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit and loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the company that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

Fair value is determined in the manner described in note 52.

Financial liabilities at *amortised* cost:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities:

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the consolidated statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(s) Leasing

The Group as a lessor:

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Ind AS 116 does not change substantially how a lessor accounts for leases. Under Ind AS 116, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. However, Ind AS 116 has changed and expanded the disclosures required, in particular with regard to how a lessor manages the risks arising from its residual interest in leased assets.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

The Group as a lessee:

The Group's lease asset classes primarily consist of leases for Residential premises, Office Premises, Godown, Industrials land and Vehicle. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets and lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

The lease payments that are not paid at the commencement date are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Also refer Note 45.

In respect of short-term leases and leases of low-value assets, the Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term of 12 months. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(t) Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows when the effect of the time value of money is material.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent assets are not recognized in the consolidated financial statements of the Group. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

(u) Earnings per share

The Group presents basic and diluted earnings per share data for its equity shares.

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the financial year. Dilutive EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

(v) Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of cash credit / overdraft balances as they are considered an integral part of the Group's cash management.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

(w) Operating segments:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments of the Group and accordingly is identified as the chief operating decision maker.

(x) Dividends

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(y) Use of estimates and judgements

The preparation of the Group's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

Fair value measurement of financial instruments:

When the fair values of financials assets and financial liabilities recorded in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques which involve various judgements and assumptions.

Useful lives of property, plant and equipment, investment property and intangible assets:

Property, plant and equipment, investment property and intangible assets represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation and amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management at the time when the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

Assets and obligations relating to employee benefits:

The employment benefit obligations depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/ (income) include the discount rate, inflation and mortality assumptions. Any changes in these assumptions will impact upon the carrying amount of employment benefit obligations.

Tax expense: [refer note 2(j)and note 59]

The Parent Company's tax jurisdiction is India. Significant judgements are involved in determining the provision for income taxes, if any, including amount expected to be paid/recovered for uncertain tax positions. Further, significant judgement is exercised to ascertain amount of deferred tax asset (DTA) that could be recognised based on the probability that future taxable profits will be available against which DTA can be utilized and amount of temporary difference in which DTA cannot be recognised on want of probable taxable profits.

Minimum Alternate Tax ('MAT') credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Parent Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists

Valuation of investment property [refer note 58]

Impairment of tangible and intangible assets other than goodwill [refer note 2(o)]

Impairment of Goodwill [refer note 2(p)]

Provisions: [refer note 2(t)]

Write down in value of inventories: (refer note 15)

Estimation of uncertainty relating to COVID-19 global health pandemic – (refer note 68)

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

3. Property, plant and equipment

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Leasehold Improvements	Total
At cost or deemed cost as at April 01, 2021	**34.30**	**5,647.34**	**12,857.85**	**489.64**	**440.70**	**447.51**	**19,917.34**
Additions	-	1,364.73	3,770.97	160.84	301.52	51.05	5,649.11
Disposals	-	-	(16.80)	(2.81)	(7.52)	-	(27.13)
Balance as at March 31, 2022	**34.30**	**7,012.07**	**16,612.02**	**647.67**	**734.70**	**498.56**	**25,539.32**
Additions	-	163.66	742.60	73.07	324.67	1,617.83	2,921.83
Disposals	-	-	(180.42)	(14.64)	(17.29)	-	(212.35)
Balance as at March 31, 2023	**34.30**	**7,175.73**	**17,174.20**	**706.10**	**1,042.08**	**2,116.39**	**28,248.80**
Accumulated depreciation							
As at April 01, 2021	**-**	**877.38**	**3,118.85**	**243.29**	**156.00**	**143.32**	**4,538.84**
Depreciation expense	-	277.36	1,162.05	89.33	62.71	77.01	1,668.46
Disposals	-	-	(5.68)	(2.81)	(6.87)	-	(15.36)
Balance as at March 31, 2022	**-**	**1,154.74**	**4,275.22**	**329.81**	**211.84**	**220.33**	**6,191.94**
Depreciation expense	-	287.04	1,168.05	91.29	96.58	106.40	1,749.36
Disposals	-	-	(147.90)	(14.59)	(14.96)	-	(177.45)
Balance as at March 31, 2023	**-**	**1,441.78**	**5,295.37**	**406.51**	**293.46**	**326.73**	**7,763.85**
Carrying amount							
As at March 31, 2022	**34.30**	**5,857.33**	**12,336.80**	**317.86**	**522.86**	**278.23**	**19,347.38**
As at March 31, 2023	**34.30**	**5,733.95**	**11,878.83**	**299.59**	**748.62**	**1,789.66**	**20,484.95**

(Refer Notes 24 and 28- For details of assets pledged as security)

4. Capital work-in-progress

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Project in progress	4,190.25	2,989.34
Projects temporarily suspended	-	-
Total	**4,190.25**	**2,989.34**

(Refer Notes 24 and 28- For details of assets pledged as security)

Movement of Capital work-in-progress

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Opening Balance	2,989.35	5,270.11
Addition during the year	4,122.73	3,368.35
Capitalised during the year	(2,921.83)	(5,649.12)
Total	**4,190.25**	**2,989.34**

Ageing of Capital work-in-progress

(₹ in Lakhs)

Capital work-in-progress	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Balance as at March 31, 2022					**-**
Project in progress	2,664.77	193.47	131.10	-	2,989.34
Balance as at March 31, 2023					**-**
Project in progress	2,910.47	1,272.78	7.00	-	4,190.25

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

4. Capital work-in-progress (Contd.)

CWIP completion schedule for project overdue or has exceeded its cost: as at March 31, 2023 (₹ in Lakhs)

Project overdue / Cost over run	To be completed in				
Particulars	**Less than 1 Year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Premix Plant	3,997.54	-	-	-	3,997.54
Capacity enhancement of Biotech Plant at Kullu Plant	41.03	-	-	-	41.03
AD 2 Project	14.30	-	-	-	14.30
Total	**4,052.87**	**-**	**-**	**-**	**4,052.87**

Projects cost consists of Civil structural, Mechanical, Fabrication work, related equipments of Productions, HVAC System, Fire protection etc and other direct cost.

CWIP completion schedule for project overdue or has exceeded its cost: as at March 31, 2022 (₹ in Lakhs)

Project overdue / Cost over run	To be completed in				
Particulars	**Less than 1 Year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Capacity enhancement of Biotech Plant at Kullu Plant	137.81	-	-	-	137.81
Modification of existing Admin office and expansion of ground floor at Dahej plant	119.04	-	-	-	119.04
Others	9.32				9.32
Total	**266.17**	**-**	**-**	**-**	**266.17**

Projects cost consists of Civil structural, Mechanical, Fabrication work, related equipments of Productions etc and other direct cost.

5 Right-of-use Assets

(₹ in Lakhs)

Particulars	Leasehold land	Buildings	Vehicles	Total
At Cost				
At April 1, 2021	**1,055.85**	**372.99**	**166.21**	**1,595.05**
Additions	-	272.17	-	272.17
Disposals	-	-	-	-
Balance as at March 31, 2022	**1,055.85**	**645.16**	**166.21**	**1,867.22**
Additions	-	-	-	-
Disposals	-	(92.88)	(166.21)	(259.09)
Balance as at March 31, 2023	**1,055.85**	**552.28**	**-**	**1,608.13**
Accumulated depreciation				
At April 1, 2021	**36.71**	**161.20**	**104.59**	**302.50**
Depreciation expenses	18.33	102.84	47.58	168.75
Disposals	-	-	-	-
Balance as at March 31, 2022	**55.04**	**264.04**	**152.17**	**471.25**
Depreciation expense	18.33	99.27	14.04	131.64
Disposals	-	-	(166.21)	(166.21)
Balance as at March 31, 2023	**73.37**	**363.31**	**-**	**436.68**
Carrying amount				
As at March 31, 2022	**1,000.81**	**381.12**	**14.04**	**1,395.97**
As at March 31, 2023	**982.48**	**188.97**	**-**	**1,171.45**

(Refer Notes 24 and 28- For details of assets pledged as security)

(Refer Note 45 - Leases)

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Note 6A. - Investment property

(₹ in Lakhs)

Particulars	Freehold land	Buildings	Plant and equipment	Total
At cost or deemed cost as at April 01, 2021	**20.79**	**6,088.70**	**2,039.75**	**8,149.24**
Additions	-	140.89	-	140.89
Disposal	-	-	-	-
Balance as at March 31, 2022	**20.79**	**6,229.59**	**2,039.75**	**8,290.13**
Additions	-	-	-	-
Disposal	-	(3,421.67)	(1,170.87)	(4,592.54)
Balance as at March 31, 2023	**20.79**	**2,807.92**	**868.88**	**3,697.59**
Accumulated depreciation				
As at April 01, 2021	**-**	**620.52**	**658.35**	**1,278.87**
Depreciation expense	-	151.80	131.84	283.64
Disposal	-	-	-	-
Balance as at March 31, 2022	**-**	**772.32**	**790.19**	**1,562.51**
Depreciation expense	-	125.95	134.01	259.96
Disposal	-	(476.98)	(518.75)	(995.73)
Balance as at March 31, 2023	**-**	**421.29**	**405.45**	**826.74**
Carrying amount				
As at March 31, 2022	**20.79**	**5,457.27**	**1,249.56**	**6,727.63**
As at March 31, 2023	**20.79**	**2,386.63**	**463.43**	**2,870.85**

Notes 24 and 28 - For details of assets pledged as security

(Refer Note 58)

Title deeds of immovable property not held in the name of the company,

Relevant line item in the Balance Sheet	Description of item of property	Gross Value of property (₹ in lakhs)	Title deed held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Investment property	Freehold land located at Village Takwe (Budruk), Tal – Maval District – Pune admeasuring 21.39 Acres	8.06	Mr. Krishna Datla "held in trust"on behalf of the Company	Executive Vice- Chairman	Various date from December 27, 1992 to July 04, 1995	The plot of land is an agricultural land lying in the industrial zone and is required to registered in individual names.
			Ms. Rajeshwari Datla "held in trust" on behalf of the Company	Non-Executive Director (relative of Executive Vice-Chairman)	Various date from December 27, 1992 to July 04, 1995	The plot of land is an agricultural land lying in the industrial zone and is required to registered in individual names.

Note: During the year the Company, Mr. Krishna Datla and Ms. Rajeshwari Datla on behalf of the Company entered in to "Memorandum of Understanding" to Sell Freehold land located at Village Takwe (Budruk), Tal – Maval District – Pune admeasuring 21.39 Acres, with M/s. D1 Enterprises (as the Proposed Assignor) to and in favour of Nipro Pharmapackaging India Private Limited (as the proposed purchaser) of said land. The Company has received advance of ₹841.50 lakhs (net of tax).

Note 6B. - Goodwill

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Goodwill #	411.66	411.66
Goodwill on consolidation	780.69	780.69
Other adjustments	81.69	24.10
Accumulated impairment losses	(121.00)	(121.00)
	1,153.04	**1,095.45**

#The amount of goodwill recognised is persuant to shares acquisition by the Company of its subsidiary in the earlier years.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Note 6B. - Goodwill (Contd.)

The Group performs annual impairment assessment of goodwill to determine whether recoverable value is below the carrying value as at March 31, 2023. The Group performed its impairment test for the year ended March 31, 2023. For this purpose, the recoverable value of the cash generating unit is based on the value of in-use model, which has been derived from discounted cash flow model. The model requires the Group to make significant assumptions such as discount rate, near and long term revenue growth rate and projected margins which involves inherent uncertainty since they are based on future business prospects and economic outlook.The post-tax discount rate is applied to cash flow projections. Based on this analysis, there is no impairment charge as at March 31, 2023.

7 Other Intangible assets

(₹ in Lakhs)

Particulars	Computer software	Product know -how	Total
At cost or deemed cost as at April 01, 2021	**352.94**	**1,986.74**	**2,339.68**
Additions	36.51	-	36.51
Other adjustments	-	13.67	13.67
Disposal	-	-	-
Balance as at March 31, 2022	**389.45**	**2,000.41**	**2,389.86**
Additions	6.07	377.71	383.78
Other adjustments	-	68.28	68.28
Disposal	-	-	-
Balance as at March 31, 2023	**395.52**	**2,446.40**	**2,841.92**
Accumulated amortisation			
As at April 01, 2021	**236.00**	**423.33**	**659.33**
Amortisation expense	67.78	367.53	435.31
Other adjustments	-	2.86	2.86
Balance as at March 31, 2022	**303.78**	**793.72**	**1,097.50**
Amortisation expense	46.42	637.37	683.79
Other adjustments	-	45.40	45.40
Balance as at March 31, 2023	**350.20**	**1,476.49**	**1,826.69**
Carrying amount			
As at March 31, 2022	**85.67**	**1,206.69**	**1,292.36**
As at March 31, 2023	**45.32**	**969.91**	**1,015.23**

8 Intangible assets under development

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Project in progress	311.96	467.16
Total	**311.96**	**467.16**

Movement of Intangible assets under development

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Opening Balance	467.16	420.55
Addition during the year	228.58	83.12
Capitalised during the year	(383.78)	(36.51)
Total	**311.96**	**467.16**

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

8 Intangible assets under development (Contd.)

Ageing of Intangible assets under development : (₹ in Lakhs)

Intangible assets under development	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Balance as at March 31, 2022					
Project in progress	64.00	142.59	260.57	-	467.16
Balance as at March 31, 2023					
Project in progress	2.56	2.50	142.59	164.31	311.96

Intangible assets under development completion schedule for project overdue or has exceeded its cost: as at March 31, 2023

(₹ in Lakhs)

Project overdue / Cost over run	To be completed in				
Particulars	**Less than 1 Year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Penicillin G acylases	91.78	-	-	-	91.78
Phyto to stegma sterol	68.94	-	-	-	68.94
Calcifidiol	58.90	-	-	-	58.90
25-OH	26.15	-	-	-	26.15
4HBCBiotech	23.08	-	-	-	23.08
Others	38.05	-	-	-	38.05
Total	306.89	-	-	-	306.89

Projects cost consists of Stores and spare parts consumed, other direct cost and related consulting and other cost.

9 A - Investments in associate (Non-current): (₹ in Lakhs)

	March 31, 2023	March 31, 2022
In equity instruments unquoted (fully paid up) (At cost less impairment in value of investments, if any)		
Health and Wellness India Private Limited	475.00	475.00
30,12,504 Equity shares of ₹10 each (as at March 31, 2022- 30,12,504 Equity shares of ₹10 each)		
Less: Impairment in the value of investments	(475.00)	(475.00)
	-	-
Aggregate carrying value of unquoted investments before impairment	475.00	475.00
Aggregate amount of impairment in value of investments	475.00	475.00
Notes:		
The financial information in respect of this associate is not material to the group.		
Proportion of Group's ownership interest in the associate [Refer note 47]		
Accumulated unrecognised share of losses of associate		
Health and Wellness India Private Limited	-	-
Unrecognised share of losses of associate for the year		
Health and Wellness India Private Limited	-	-
Accumulated recognised share of losses of associate		
Health and Wellness India Private Limited	598.53	598.53

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

9 B Investments (Non-current):

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Investment in other entities - In equity instruments:		
(i) Unquoted Investments (all fully paid up)		
Investments in equity instruments at FVTOCI		
Shivalik Solid Waste Management Limited	4.11	4.11
20,000 Equity shares of ₹10 each. (as at March 31, 2022 - 20,000 Equity shares of ₹10 each)		
Zela Wellness Private Limited	126.52	126.52
58,048 Equity shares of ₹10 each (as at March 31, 2022 - 58,048 Equity shares of ₹10 each)		
Less: Impairment in the value of investments	(126.52)	(126.52)
Total aggregate unquoted Investments (A)	**4.11**	**4.11**
(ii) Quoted Investments (all fully paid)		
Investments in equity instruments at FVTOCI		
Abbott India Limited	30.70	24.60
139 Equity shares of ₹10 each (as at March 31, 2022 - 139 Equity shares of ₹10 each)		
Total aggregate quoted investments (B)	**30.70**	**24.60**
Total Non-current investments (A+B)	**34.81**	**28.71**
Aggregate carrying value of unquoted investments before impairment	51.64	51.64
Aggregate amount of quoted investments and market value thereof	30.70	24.60
Aggregate amount of impairment in value of investments	47.53	47.53

10 Share application money

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Health and Wellness India Private Limited	309.86	309.86
Less: Impairment in the value of share application money	(309.86)	(309.86)
Total	**-**	**-**

11 Loans (Non-current)

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Loan to employees, - unsecured (considered good)	17.50	0.85
Inter corporate deposit - unsecured (considered doubtful) (Refer note 49)	37.00	37.00
Less : Allowance for doubtful inter corporate deposit	(37.00)	(37.00)
	17.50	**0.85**
Movement in the Allowance for doubtful inter corporate deposit		
Balance at the beginning of the year	37.00	37.00
Addition during the year	-	-
Written back during the year	-	-
Written off during the year	-	-
Balance at the end of the year	**37.00**	**37.00**

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

As at March 31, 2023 (₹ in Lakhs)

	All Parties	Promoters	Related Parties
Amount of loan or advance in the nature of loans			
- Repayable on demand (A)	1,064.14 *	-	37.00
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total	**1,064.14**	**-**	**37.00**
Percentage of loans / advances in the nature of loans to the total loans [(including loans (current) of ₹102.50 Lakhs (Refer Note 19)] and Includes advances in the nature of loans of ₹907.14 Lakhs (Refer Note 21 and 70)	-	-	3.48%

* The amounts reported are at gross amounts, without considering provisions made.

Includes advances in the nature of loans of ₹907.14 Lakhs (Refer Note 21 and 70)

As at March 31, 2022 (₹ in Lakhs)

	All Parties	Promoters	Related Parties
Amount of loans/advances in nature of loans			
- Repayable on demand (A)	1,146.68 *	-	37.00
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total	**1,146.68**	**-**	**37.00**
Percentage of loans / advances in the nature of loans to the total loans [(including loans (current) of ₹1.50 Lakhs, (Refer Note 19)] and include advances in the nature of loans of ₹1107.34 Lakhs (Refer Note 21 and 70)			3.23%

* The amounts reported are at gross amounts, without considering provisions made.

Includes advances in the nature of loans of ₹1107.34 Lakhs (Refer Note 21 and 70)

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Amount outstanding as at year end		
Health and Wellness India Private Limited - (Associate) (Refer note 11)	37.00	37.00
Inter Gest Germany GmbH - (Others) (Refer note 21)	907.14	1,107.34
D.K.Biopharma Private Limited - (Others) (Refer note 19)	100.00	-
Maximum amount outstanding during the year		
Health and Wellness India Private Limited - (Associate)	37.00	37.00
Inter Gest Germany GmbH - (Others)	1,107.34	1,107.34
D.K.Biopharma Private Limited - (Others)	100.00	-
Loan was granted to Health and Wellness India Private Limited for the purpose of their business.		
Loan was granted to D.K.Biopharma Private Limited for the purpose of their business.		

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

12 Other financial assets (Non-current)

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Security deposits - unsecured (considered good)	230.97	46.66
Bank deposits with remaining maturity of more than 12 months*	1,675.22	299.30
Deposits with a financial institution with remaining maturity of more than 12 months #	-	250.93
Interest accrued but not due from banks - unsecured (considered good)	52.08	9.91
Interest accrued but not due from a financial institution	-	11.37
Others	145.99	50.99
	2,104.26	**669.16**
* Deposits held under lien by bank against guarantees, letter of credit and against secured short term overdraft with Union Bank of India	1,674.22	89.62
# Fixed deposits placed with Bajaj Finance Limited	-	250.93

13 Non-current tax assets (net)

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
MAT credit entitlement	-	0.64
Advance income-tax (net of provision for tax ₹1,545.37 Lakhs [as at March 31, 2022 ₹6,177.69 Lakhs])	966.79	1,317.87
	966.79	**1,318.51**

14 Other assets (Non-current)

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Capital advances		
Considered good(unsecured)	104.75	336.63
Considered doubtful (unsecured)	44.21	23.21
Less: Allowance for considered doubtful (unsecured)	(44.21)	(23.21)
	-	-
Deferred rent	-	1.57
Prepaid expenses	527.87	8.36
Balances with government authorities – considered good	3.75	3.75
	636.37	**350.31**

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

15 Inventories

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
(At lower of cost and net realisable value)		
Raw materials and packing materials [includes stock in transit of ₹121.25 Lakhs (as at March 31, 2022 ₹10.51 Lakhs)]	4,913.85	5,515.22
Traded goods [includes stock in transit of ₹ Nil (as at March 31, 2022 ₹19.58 Lakhs)]	475.68	890.58
Work-in-progress [includes stock in transit of ₹ Nil (as at March 31, 2022 ₹43.27 Lakhs)]	3,416.81	6,065.47
Finished goods [includes stock in transit of ₹ Nil (as at March 31, 2022 ₹23.70 Lakhs)]	3,433.45	2,458.61
Stores and spares [includes stock in transit of ₹ Nil (as at March 31, 2022 ₹4.04 Lakhs)]	774.19	1,017.77
	13,013.98	15,947.65

"Notes

(i) Inventory write downs are accounted considering the nature of inventory, ageing, liquidation plan and net realisable value. Write downs of inventories amounted to ₹2,212.35 Lakhs. The changes in write downs are recognised as an expense in the Standalone statement of profit and loss amounting to ₹271.81 Lakhs (as at March 31, 2022: ₹97.20 Lakhs) and ₹1,940.54 Lakhs considered as Exceptional Items (as at March 31, 2022: Nil).

(ii) Inventories have been hypothecated as security against certain bank borrowings, details relating to which has been described in note 24 and note 28.

(iii) During the year ended 31 March 2023, ₹774.94 Lakhs (31 March 2022: ₹413.68 Lakhs) was recognised as an expense for inventories carried at net realisable value.

16 Trade receivables (unsecured)

(₹ in Lakhs)

	March 31, 2023		March 31, 2022	
	Non-current	Current	Non-current	Current
Undisputed Trade receivables – considered good	-	4,164.94	-	8,709.01
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	429.69	-	421.31
Disputed Trade Receivables – considered good	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-
Disputed Trade Receivables – credit Impaired	-	-	-	-
	-	4,594.63	-	9,130.32
Less : Allowance for doubtful debts (Expected credit loss allowance)	-	(429.69)	-	(421.31)
Less : Others (Sales discount)		-		-
Total	**-**	**4,164.94**	**-**	**8,709.01**

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Movement in the expected credit loss allowance		
Balance at the beginning of the year	421.31	481.24
Addition during the year	23.05	32.85
Written off during the year	-	-
Reversal during the year	(14.67)	(92.78)
Balance at the end of the year	**429.69**	**421.31**

Trade receivables are carried at amortised cost.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

16 Trade receivables (unsecured) (Contd.)

Trade receivables are non interest bearing and generally on terms of 60-90 Days. No trade and other receivables are due from directors or other officer of the Company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which director is a partner, a director or member (refer note 49). For explanation on the credit risk managament process, (refer note 56).

Ageing of trade receivables :as at March 31, 2023 (₹ in Lakhs)

Particulars	Outstanding for the following period from due date of payments						
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1,754.35	2,328.88	-	76.35	5.36	-	4,164.94
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired	-	-	-	18.31	20.17	391.21	429.69
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit Impaired	-	-	-	-	-	-	-
Total	**1,754.35**	**2,328.88**	**-**	**94.66**	**25.53**	**391.21**	**4,594.63**

There are no unbilled receivables as on Balance sheet date

Ageing of trade receivables :as at March 31, 2022 (₹ in Lakhs)

Particulars	Outstanding for the following period from due date of payments						
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	3,982.80	3,102.33	997.31	38.29	588.28	-	8,709.01
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired	-	-	-	13.72	77.68	329.91	421.31
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit Impaired	-	-	-	-	-	-	-
Total	**3,982.80**	**3,102.33**	**997.31**	**52.01**	**665.96**	**329.91**	**9,130.32**

There are no unbilled receivables as on Balance sheet date.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

17 Cash and cash equivalents

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Balances with banks		
In current accounts	3,507.26	1,185.16
In deposit accounts with original maturity for less than 3 months	12.52	113.40
Cash on hand	4.38	7.05
Total	**3,524.16**	**1,305.61**

18 Bank balances other than cash and cash equivalents

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Balances with banks		
In Unpaid dividend accounts	15.21	14.11
In escrow account	38.38	1.32
In deposit accounts with original maturity for more than 3 months but less than 12 months*	2,250.16	2,039.88
Total	**2,303.75**	**2,055.31**

*This includes deposits held under lien by bank against guarantees and letter of credit amounting to ₹65.51 Lakhs (as at March 31, 2022: ₹776.17 Lakhs)

19 Loans (Current)

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Unsecured, considered good		
Inter corporate deposits		
D.K.Biopharma Private Limited #	100.00	-
Loans to employees	2.50	1.50
Total	**102.50**	**1.50**

The inter-corporate deposits amountingto ₹100.00 Lakhs were granted to the entity @ 9% for the purpose of its business.

20 Other financial assets (Current)

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Interest accrued but not due		
On fixed deposits from banks	16.80	16.40
On Inter corporate deposits	2.79	-
Others		
Unsecured, considered good	14.08	11.31
	33.67	**27.71**

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

21 Other current assets

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Advance for supply of goods and services (Refer note 70)		
Considered good	101.82	1,384.29
Considered doubtful (Refer note 72)	913.42	6.28
Less: Allowance for doubtful advances	(913.42)	(6.28)
	101.82	**1,384.29**
Deferred rent	46.26	44.78
Prepaid expenses	267.65	278.54
Travel advances to employees	40.82	5.85
Export incentive receivables		
Considered good	15.47	773.90
Considered doubtful	-	3.24
Less: Allowance for doubtful export incentive receivables	-	(3.24)
	15.47	**773.90**
Balances with government authorities	1,037.37	867.50
Others	45.01	0.34
	1,554.40	**3,355.20**
Movement in the Allowance for doubtful advances and export incentive receivables.		
Balance at the beginning of the year	9.52	15.23
Addition during the year	907.14	-
Reversal during the year	(3.24)	(5.71)
Balance at the end of the year	**913.42**	**9.52**

22 Equity share capital

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Authorised:		
4,98,40,000 Equity shares of ₹5/- each (as at March 31, 2022 - 4,98,40,000 Equity shares of ₹5/- each)	2,492.00	2,492.00
1,60,000 Unclassified shares of ₹5/- each (as at March 31, 2022 - 1,60,000 Unclassified shares of ₹5/- each)	8.00	**8.00**
	2,500.00	**2,500.00**
Issued, subscribed and paid-up :		
2,94,30,987 Equity shares of ₹5/- each (as at March 31, 2022 - 2,94,30,987 Equity shares of ₹5/- each)	1,471.55	1,471.55
Less: 5,73,684 Equity shares held by FBL ESOP Trust (as at March 31, 2022 -5,83,665) [Refer note (e) below]	(28.68)	(29.18)
	1,442.87	**1,442.37**

(a) Details of shareholders holding more than 5% shares in the Company

Name of the shareholders	March 31, 2023		March 31, 2022	
Equity shares of ₹5/- each fully paid (as at March 31, 2022 ₹5/- each fully paid up)	No of Shares in lakhs	% holding in the class	No of Shares in lakhs	% holding in the class
DVK Investments Private Limited, the Holding Company	150.75	51.22%	150.75	51.22%
Mr. Krishna Datla	24.61	8.36%	24.61	8.36%

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

22 Equity share capital (Contd.)

(b) Shares held by the Holding Company

Out of equity shares issued by the Company, shares held by its Holding Company are as below.

Name of the shareholders	March 31, 2023		March 31, 2022	
	No of Shares in lakhs	% holding in the class	No of Shares in lakhs	% holding in the class
DVK Investments Private Limited				
1,50,75,318 Equity shares of ₹5/- each fully paid (as at March 31, 2022 -1,50,75,318 Equity shares of ₹5/-each fully paid)	150.75	51.22%	150.75	51.22%

(c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Name of the shareholders	March 31, 2023		March 31, 2022	
	Number of Shares	₹ In Lakhs	Number of Shares	₹ In Lakhs
Equity Shares				
Opening Balance	2,88,47,322	1,442.37	2,88,47,322	1,442.37
Issued during the year	9,981	0.50	-	-
Closing Balance	2,88,57,303	1,442.87	2,88,47,322	1,442.37

(d) Rights, preferences and restrictions

The Company has issued only one class of equity shares having par value of ₹5/- per share (March 31, 2022; - ₹5/- per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays the dividend in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to shareholders' approval in the ensuing Annual General Meeting, except in case of interim dividend.

During the year, the Board of directors have declared dividend of 25% (₹1.25 per equity share of ₹5/- each) for the financial year 2022-23. (Refer note 57)

During the previous year, the Board of directors had declared an interim dividend of 25% (₹1.25 per equity share of ₹5/- each) for the financial year 2021-22 which has been paid during the year 2022-23. (Refer note 57)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

(e) FBL ESOP Trust :

The Company had formulated Employee Stock Option Scheme namely Fermenta Biotech Limited - Employee Stock Option 2019 (ESOP 2019) in terms of the Scheme of amalgamation of erstwhile FBL with the Company. The equity shares are held by FBL ESOP Trust (Refer note 60).

	March 31, 2023 Number of Shares	March 31, 2022 Number of Shares
Outstanding at the beginning of the year	5,83,665	5,83,665
Issue of shares pursuant to exercise of Employee Stock Option	(9,981)	-
Outstanding at the end of the year	5,73,684	5,83,665

(f) Details of Shares held by promoters at the end of the year

Name of promoters	March 31, 2023			March 31, 2022		
	No of Shares in lakhs	% holding in the class	% Change during the year	No of Shares in lakhs	% holding in the class	% Change during the year
DVK Investments Private Limited, the Holding Company	150.75	51.22%	-	150.75	51.22%	-
Mr. Krishna Datla	24.61	8.36%	-	24.61	8.36%	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

23 Other equity

(₹ in Lakhs)

	Reserves and surplus								Items of other comprehensive income		Total
	Capital reserve	Capital reserve pursuant to amalgamation	Capital redemption reserve	Securities premium reserve	Unrealised gain/(loss) on dilution	General reserve	Share options outstanding account	Retained earnings	Foreign currency translation reserve	Equity instruments through OCI	
Balance as at April 01, 2021	**1,140.00**	**1,074.20**	**70.00**	**-**	**(4,242.23)**	**3,545.80**	**1,199.54**	**31,838.12**	**(31.30)**	**22.52**	**34,616.65**
Profit for the year	-	-	-	-	-	-	-	1,544.71	-	-	1,544.71
Payment of dividend (Gross)				-				(721.18)			721.18
Recognition of share based payments (Expense)	-	-	-	-	-	-	269.62	-	-	-	269.62
Other comprehensive income for the year	-	-	-	-	-	-	-	(23.60) @	81.13	3.77	61.30
Balance as at March 31, 2022	**1,140.00**	**1,074.20**	**70.00**	**-**	**(4,242.23)**	**3,545.80**	**1,469.16**	**32,638.05**	**49.83**	**26.29**	**35,771.10**
Loss for the year	-	-	-	-	-	-	-	(5,149.77)	-	-	(5,149.77)
Transfer to equity share capital on excerise of options	-	-	-	42.09	-	-	(42.09)	-	-	-	-
Premium on issue of equity share on stock option excerise	-	-	-	7.85	-	-	-	-	-	-	7.85
Payment of dividend (Gross)	-	-	-	-	-	-	-	(360.59)	-	-	(360.59)
Payment towards aquisition of minority interest				-				1.36			1.36
Recognition of share based payments (Gain)	-	-	-	-	-	-	(101.85)	-	-	-	(101.85)
Other comprehensive income for the year	-	-	-	-	-	-	-	11.16 @	(164.74)	6.10	(147.48)
Balance as at March 31, 2023	**1,140.00**	**1,074.20**	**70.00**	**49.94**	**(4,242.23)**	**3,545.80**	**1,325.22**	**27,140.21**	**(114.91)**	**32.39**	**30,020.62**

@ Represents remeasurement of defined benefit plan

Description of nature and purpose of each reserve

Capital reserve: Capital reserve was created in the financial years 1995-96 and 1996-97 pursuant to sale of the Parent Company's brands for which non compete fees were received and treated as a capital receipt.

Capital reserve pursuant to amalgamation : This reserve created consequent to amalgamation of a subsidiary with the Parent Company.

Capital redemption reserve: This reserve was created for redemption of preference shares of ₹70.00 lakhs in the financial year 2010-2011.

Unrealised gain/(loss) on dilution: This reserve represents unrealised gain/(loss) due to change in the shareholdings in a subsidiary.

General Reserve: The reserve arises on transfer portion of the net profit pursuant to earlier provision of the Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act. 2013.

Securities premium: The amount received in excess of face value of the equity shares is recognised in securities premium. This reserve is utilised in accordance with the specific provisions of the Companies Act 2013.

Share options outstanding account: The fair value of the equity settled share based payment transactions is recognised in share options outstanding account.

Retained earnings: Profits generated by the Group that are not distributed to shareholders as dividends but are reinvested in the business.

Equity instruments through other comprehensive income: This represents the cumulative gains / losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

Foreign currency translation reserve: Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. `) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference in the foreign currency translation reserve are reclassified to consolidated profit or loss on the disposal of the foreign operations.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

24 Borrowings

(₹ in Lakhs)

	March 31, 2023		March 31, 2022	
	Non-current	Current	Non-current	Current
Secured				
Term loans				
From banks				
For Kullu facility [Refer note below (a)]	2,613.15	653.29	462.54	15.95
For Dahej facility [Refer note below (b)]	-	431.28	407.20	487.99
For Dahej facility [Refer note below (c)]	838.64	561.17	1,394.53	561.51
For Dahej facility [Refer note below (d)]	87.83	666.28	727.61	701.68
For Vehicles [Refer note below (e)]	390.78	127.07	264.52	72.82
For WCTL [Refer note below (f)]	1,558.33	141.67	1,700.00	-
For Dahej facility [Refer note below (g)]	135.71	27.14	162.86	27.14
From others				
For business operations [Refer note below (h)]	-	-	2,961.23	-
For business operations [Refer note below (i)]	2,734.46	572.08	3,387.76	531.75
Total	**8,358.90**	**3,179.98**	**11,468.25**	**2,398.84**
Amount disclosed under the head "other current financial liabilities" (Refer note 29)	-	(3,179.98)	-	(2,398.84)
Net amount	8,358.90	-	11,468.25	-

Notes

a) Term loan is taken from HDFC Bank Limited for financing the capital expenditure for Premix Plant to be set up at Kullu with interest rate EURIBOR plus 3.0% (Average effective rate 4.36%), (previous year effective rate is 3%) repayable in 60 equal monthly instalments starting from Feb-2023. The said loan is secured by first pari-passu charge on the project , first pari pasu charge on property, plant and equipment at Dahej and Kullu except plant 3 at Dahej which is exclusively mortgaged with Yes Bank Limited and Union Bank of India, and second pari passu charge on entire current assets along with other banks.

b) Term loan (External Commercial Borrowing) is taken from Yes Bank Limited for financing the capital expenditure for new project at Dahej SEZ with interest rate EURIBOR plus 3.5% (Average effective rate 6.38%), (previous year effective rate is 3.5%) repayable in 48 equal monthly instalments starting from February 2020. The said ECB loan is secured by way of first pari-passu charge on the project financed along with Union Bank of India, first pari-passu charge along with Union Bank of India and HDFC Bank Limited on property, plant and equipment at Kullu and Dahej, except Plant 4 at Dahej and Premix Plant at Kullu which is exclusively mortgaged with HDFC Bank Limited and Plant 3 which is funded by Union Bank of India and Yes Bank Limited , which is not to be shared with HDFC Bank Limited. The said loan is additionally secured by way of first pari passu charge along with Union Bank of India and HDFC Bank Limited on entire unencumbered movable fixed assets (excluding vehicles) and second pari passu charge on entire current assets.

c) Term loan is taken from HDFC Bank Limited for financing the capital expenditure for Plant 4 at Dahej SEZ with interest rate EURIBOR plus 3.9% (effective rate 3.9%), (previous year effective rate is 3.9%) repayable in 16 equal quarterly instalments starting from July 2021. The said loan is secured by first pari-passu charge on the project , first pari pasu charge on property, plant and equipment at Dahej and Kullu except plant 3 at Dahej which is exclusively mortgaged with Yes Bank Limited and Union Bank of India, and second pari passu charge on entire current assets along with other banks.

d) Term loan (Foreign Currency Term Loan and INR Term Loan) is taken from Union Bank of India for financing the capital expenditure for new project at Dahej SEZ with interest rate EURIBOR plus 3.10% (effective rate 5.50%) (previous year effective rate is 3.10%) for FCTL, MCLR + 2% (effective rate 9.96% to 10.34%) (previous year effective rate is 9.43% to 10.48%) for Rupee Term Loan repayable in 48 equal monthly instalments starting from April 2020. The said loan is secured by way of first pari-passu charge on the project financed along with Yes Bank Limited not to be shared with HDFC Bank Limited, first pari-passu charge along with Yes Bank Limited and HDFC Bank Limited on property, plant and equipment at Kullu and Dahej, except Plant 4 at Dahej and Premix Plant at Kullu which is exclusively mortgaged with HDFC Bank Limited. The said loan is additionally secured by way of first pari passu charge along with Yes Bank and HDFC bank on entire unencumbered movable fixed assets (excluding vehicles) and second pari passu charge on entire current assets.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

24 Borrowings (Contd.)

e) Vehicle loan is taken from the HDFC Bank Limited against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Aug-2020 with interest rates 8.20%, (previous year at 7.35%).

Vehicle loan is taken from the HDFC Bank Limited against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Sep-2021 with interest rates 7.65%, (previous year 7.65%).

Vehicle loan is taken from the HDFC Bank Limited against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from July-2021 with interest rates 7.65%, (previous year 7.65%).

Vehicle loan is taken from the Bank of Baroda Limited against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Jan-2021 with interest rates 9.85%, (previous year at 7.35%)

Vehicle loan is taken from the Bank of Baroda Limited against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from May-2021 with interest rates 9.85%, (previous year in the range of 7.35%)

Vehicle loan is taken from the Bank of Baroda Limited against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from May-2021 with interest rates 9.85%, (previous year in the range of 7.35%)

Vehicle loan is taken from the Union Bank of India against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Jan-2022 with interest rates 9.80%, (previous year in the range of 7.30%)

Vehicle loan is taken from the Union Bank of India against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Mar-2022 with interest rates 9.90%, (previous year in the range of 7.40%)

Vehicle loan is taken from the Union Bank of India against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Jan-2022 with interest rates 9.40%, (previous year in the range of 7.30%)

Vehicle loan is taken from the Union Bank of India against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Aug-2022 with interest rates 9.40% (previous year in the range of NIL)

Vehicle loan is taken from the Union Bank of India against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Aug-2022 with interest rates 9.40% (previous year in the range of NIL)

Vehicle loan is taken from the Union Bank of India against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Aug-2022 with interest rates 9.40% (previous year in the range of NIL)

Vehicle loan is taken from the Union Bank of India against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Sep-2022 with interest rates 9.40%, (previous year in the range of NIL)

Vehicle loan is taken from the Union Bank of India against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Sep-2022 with interest rates 9.40%, (previous year in the range of NIL)

Vehicle loan is taken from the Union Bank of India against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Oct-2022 with interest rates 9.40%, (previous year in the range of NIL)

Vehicle loan is taken from the Union Bank of India against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Oct-2022 with interest rates 9.30%, (previous year in the range of NIL)

Vehicle loan is taken from the Union Bank of India against hypothecation of the vehicle purchased, repayable in 60 monthly instalments starting from Oct-2022 with interest rates 9.05%, (previous year in the range of NIL)

f) Working Capital Term Loan is taken from Union Bank of India for business purpose with interest rate 1 Year MCLR+0.60% effective rate 9.18% (previous year effective rate is 7.85%) repayable in 48 equal quarterly instalments starting from Dec -23. The said loan is secured by first pari-passu charge on hypothecation of stocks, book debts and and by equitable mortgage with Yes Bank limited and HDFC Bank Limited of factory land and buildings at Dahej and Kullu and all moveable property, plant and equipments of the Company and second charge on the existing securities of the company except plant 4 at Dahej and Premix Plant at Kullu.

g) Term loan is taken from HDFC Bank Limited for financing the capital expenditure at Dahej SEZ with average interest rate 7.98% (Previous year effective rate is 7.7%) repayable in 28 equal quarterly instalments starting from Apr 2022. The said loan is secured by first pari-passu charge on the project , first pari pasu charge on property, plant and equipment at Dahej and Kullu except plant 3 at Dahej which is exclusively Mortgaged with Yes Bank Limited and Union Bank of India, and second pari passu charge on entire current assets along with other banks.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

24 Borrowings (Contd.)

h) Loan by way of discounting of lease rental of Thane One Building consisting of 1st floor to 13th floor from Bajaj Finance Limited the effective rate for the current year in the range of 8.00% to 11.20% (previous year in the range of 8.00% to 9.00%) repayable after 156 months on August 15, 2030 in one instalment. The said loan is secured by hypothecation of the lease agreements of Thane One (consisting of 1st floor to 13th floor). Further the loan has been guaranteed by the personal guarantee of the Executive Vice Chairman of the Company and the corporate guarantee of the Holding Company, DVK Investment Private Limited.The loan has been repaid in full on March 20, 2023.

i) Loan against property and loan by way of discounting of lease rental of Thane One Building consisting of 1st floor to 13th floor from Bajaj Finance Limited, the effective rate for the current year in the range of 8.00% to 11.20% (previous year effective rate in the range of 8.00% to 9.57%) The said loan is secured by hypothecation of the lease agreements of Thane One (consisting of 1st floor to 13th floor) and equitable mortgage of the premises at Ceejay House owned by Aegean Properties Limited (APL), a wholly owned subsidiary of the Company. Further these loans have been guaranteed by the personal guarantee of the Executive Vice Chairman of the Company and the corporate guarantee of the holding company, DVK Investment Private Limited.During the year comapny has sold 9 no. of floors with no objection certificate obtained from Bajaj Finance Limited.

25 Other financial liabilities (Non current)

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Deposits from tenants	108.38	72.43
Total	**108.38**	**72.43**

26 Provisions (Non-current)

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Provisions for employee benefits:		
Gratuity [Refer note 44(c)]	214.28	188.47
Compensated absences	248.18	376.36
	462.46	**564.83**

27 Other liabilities (Non current)

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Deferred Revenue	894.40	24.43
Deposits from Developer (Refer note 66)	1,500.00	500.00
	2,394.40	**524.43**

28 Borrowings (Current)

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Loans repayable on demand		
From banks (Secured)		
Cash credit and Bank overdraft	1,753.59	1,493.96
Packing credit and Bill discounting	3,090.35	3,743.92
Short term working capital loan	5,301.71	4,509.62
From banks (Secured)		
Current maturities of long term debts (Refer note 24)	2,607.90	1,867.09
From others (Secured)		
For business operations (Refer note 24)	572.08	531.75
	13,325.63	**12,146.34**

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

28 Borrowings (Current) (Contd.)

Packing credit, cash credit from Union Bank of India, are secured by first pari-passu charge on hypothecation of stocks, book debts and and by equitable mortgage with Yes Bank limited and HDFC Bank Limited of factory land and buildings at Dahej and Kullu and all moveable property, plant and equipment of the Company except vehicles and Plant 4 at Dahej and Premix Plant at Kullu. The average interest rate for packing credit in foreign currency is 3.00% to 5.60% (EURO PCFC - EURIBOR+3.10%, USD PCFC - 6M LIBOR+3.10%) and average interest rate for cash credit is 11.20 %.

Packing credit, cash credit and Working Capital Demand Loan from Yes Bank Limited is secured by first pari-passu charge on current assets of the Company and by equitable mortgage of factory land and buildings at Dahej and Kullu with Union Bank of India and HDFC Bank Limited and all moveable property, plant and equipment of the Company except vehicles and Plant 4 at Dahej and Premix Plant at Kullu. The average interest rate for packing credit in foreign currency is 5.50%. and Working Capital Demand Loan is 8.90% average interest rate for cash credit is 1 YR MCLR+0.95 (form 10.40% to 9.40%)

Packing credit and Working Capital Demand Loan from HDFC Bank Limited is secured by First pari-passu charge on current assets, exclusive charge on assets of plant 4 at Dahej and Premix Plant at Kullu, moveable property, plant and equipment of the Company and equitable mortgage of factory land and buildings at Dahej and Kullu with Union Bank of India and Yes Bank Limited (excluding the plant and building financed through term loan from Union Bank of India and Yes Bank Limited).The average interest rate for packing credit in foreign currency is 5.50% and Working Capital Demand Loan from 8.95% to 7.35% Short term working capital loan taken from Union Bank of India are secured against the lien of fixed deposits. The average interest rate is in the range of .5.5% to 7.25%.%.

29 Trade payables (Current)

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Dues of micro and small enterprises (MSME) (Refer note 64)	280.47	224.72
Dues of creditors other than MSME	4,299.01	6,233.25
Disputed dues of MSME	-	-
Disputed dues of creditors other than MSME	-	-
Total	**4,579.48**	**6,457.97**

Ageing of trade payables: as at March 31, 2023

(₹ in Lakhs)

Particulars	Unbilled	Not due	Outstanding for the following period from due date of payments				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Dues of (MSME)	-	3.71	276.00	0.76	-	-	280.47
Dues of creditors other than MSME	885.94	754.25	2,535.27	25.91	25.88	71.76	4,299.01
Disputed dues of MSME	-	-	-	-	-	-	-
Disputed dues of creditors other than MSME	-	-	-	-	-	-	-
Total	**885.94**	**757.96**	**2,811.27**	**26.67**	**25.88**	**71.76**	**4,579.48**

Ageing of trade payables: as at March 31, 2022

(₹ in Lakhs)

Particulars	Unbilled	Not due	Outstanding for the following period from due date of payments				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Dues of (MSME)	-	72.16	152.56	-	-	-	224.72
Dues of creditors other than MSME	697.69	2,357.63	2,977.76	160.27	-	39.90	6,233.25
Disputed dues of MSME	-	-	-	-	-	-	-
Disputed dues of creditors other than MSME	-	-	-	-	-	-	-
Total	**697.69**	**2,429.79**	**3,130.32**	**160.27**	**-**	**39.90**	**6,457.97**

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

30 Other financial liabilities (Current)

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Deposits from tenants	268.71	540.89
Payable to the employees / directors	136.58	336.29
Liability for capital expenditure	373.82	303.33
Interest accrued but not due on borrowings	49.24	57.43
Derivatives not designated as hedge	64.78	23.57
Unclaimed dividend	15.21	14.11
	908.34	**1,275.62**

31 Other current liabilities

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Advance from customers	1,512.94	351.12
Statutory dues	155.70	217.84
Deferred rent	17.84	21.42
	1,686.48	**590.38**

32 Provisions (Current)

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Provision for employee benefits		
Compensated absences	58.14	78.06
Other provisions		
Others	200.08	24.98
	258.22	**103.04**

33 Current tax liabilities (net)

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Provision for income tax (net of advance tax for tax ₹2,072.42 lakhs [as at March 31, 2022 ₹2,072.42 lakhs])	32.53	32.01
	32.53	**32.01**

34 Revenue from operations

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Sale of products	28,376.49	38,104.38
Rent income (Refer note 45)	1,151.28	1,323.50
Amortised deferred rent	52.80	43.49
Sale of services	230.19	88.22
Service income (infrastructure support services to tenants)	322.25	256.66
Sale of Investment property (net) (Refer note 58)	4,772.82	-
Other operating revenues		
Export incentive	62.45	5.85
Scrap sales	26.11	29.47
	34,994.39	**39,851.57**

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

35 Other income

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Interest income on financial assets carried at amortised cost:		
Bank deposits	145.51	100.96
Other financial assets	58.03	30.67
Dividend income on investment in equity instruments designated as at fair value through other comprehensive income	0.63	-
Net gain on fair value changes of derivatives at FVTPL	-	86.58
Insurance Claims	1.29	74.60
Foreign exchange gain (net)	210.77	299.93
Liabilities / provisions no longer required written back		
From Trade receivables	20.19	92.78
From Others	331.66	128.06
	351.85	220.84
Miscellaneous income	1.30	0.01
	769.38	**813.59**

36 Cost of materials consumed

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Inventories of raw materials and packing materials at the beginning of the year	5,818.08	5,520.10
Add: Purchases	10,287.27	13,505.65
Add: Foreign currency translation difference	10.09	11.09
Less : Inventories of raw materials and packing materials at the end of the year	4,913.85	5,818.08
	11,201.59	**13,218.76**

37 Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Inventories at the end of the year		
Work-in-progress	3,416.81	6,065.47
Stock-in-Trade	475.68	890.58
Finished goods	3,433.45	2,458.61
	7,325.94	**9,414.66**
Inventories at the beginning of the year		
Work-in-progress	6,065.47	6,751.98
Stock-in-Trade	890.58	455.03
Finished goods	2,458.61	2,836.45
	9,414.66	**10,043.46**
Foreign currency translation difference	(162.68)	**1.38**
	2,251.40	**627.42**

38 Employee benefits expense

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Salaries and wages	5,021.45	5,136.31
Contribution to provident and other funds (Refer note 44)	289.83	284.14
Gratuity expense (Refer note 44)	75.19	65.19
Share based payments to employees (Refer note 60)	(101.85)	269.65
Staff welfare expenses	506.41	541.44
	5,791.03	**6,296.73**

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

39 Finance costs

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Interest on		
Term loans	1,075.04	959.76
Loans repayable on demand	716.97	579.33
Loans from related parties	-	-
Lease liabilities (Refer note 45)	32.08	31.95
Liabilities carried at amortised cost (Unwinding of interest)	54.52	47.35
Others	20.58	8.47
Other borrowing costs	179.04	81.57
	2,078.23	**1,708.43**

40 Depreciation and amortisation expense

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Depreciation of property, plant and equipment (Refer note 3)	1,749.36	1,668.46
Depreciation on right-of-use assets (Refer note 5)	131.64	168.75
Depreciation of investment property (Refer note 6A)	259.96	283.64
Amortisation of intangible assets (Refer note 7)	683.79	435.31
	2,824.75	**2,556.16**

41 Other expenses

(₹ in Lakhs)

	March 31, 2023		March 31, 2022	
GST other than recovered on sales		115.54		116.95
Contract labour charges		658.61		618.96
Power and fuel		1,786.17		1,984.17
Processing charges		1,109.30		1,361.27
Repairs and maintenance				
Buildings		73.06		134.74
Plant and machinery		219.61		241.80
Others		1,334.38		1,010.36
Stores and spare parts consumed		1,024.08		1,221.15
Water charges		37.78		50.85
Advertising and sales promotion expenses		291.64		249.55
Freight and forwarding charges		949.13		1,244.02
Commission on sales		156.41		212.28
Rent (including lease rentals)		94.50		59.72
Insurance		365.00		359.00
Rates and taxes		650.09		329.42
Allowance for doubtful debts		28.57		141.25
Allowance for doubtful advances		23.05		-
Trade receivables and advances written off	478.34		96.53	
Less: Allowance held	-	478.34	(5.57)	3.44
Provision for impairment in the value of non-current investments		-		-
Non current investment written off	-		5.90	

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

41 Other expenses

(₹ in Lakhs)

	March 31, 2023		March 31, 2022	
Less: Allowance held	-	-	(5.90)	-
Travelling and conveyance		605.83		669.87
Professional and legal fees		1,051.49		1,055.89
Payment to auditors (Refer note below)		85.87		62.46
Foreign exchange loss (net)		-		-
Postage and telephone		53.56		49.27
Printing and stationery		79.83		77.51
Net loss on fair value changes of derivatives at FVTPL		41.21		-
Security Expenses		91.38		118.81
Staff recruitment expenses		31.44		29.02
Bank charges		59.01		89.36
Initial cost for operating leases		99.24		48.14
Analytical Charges		81.88		96.43
Loss on sale/write off, of property, plant and equipment (net)		31.48		2.67
Corporate social responsibility expenses		112.95		-
Directors sitting fees		40.70		56.50
Miscellaneous expenses		192.86		398.77
		12,053.99		**12,093.63**

42 - Payment to auditors (excluding statutory levy)

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
For audit	67.76	36.67
For limited review	15.00	15.00
For other services	0.90	10.35
Reimbursement of expenses	2.21	0.44
	85.87	**62.46**

The following table sets forth the computation of basic and diluted earnings per share :

43 - Earnings per share (EPS):

The following table sets forth the computation of basic and diluted earnings per share :

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
(Loss)/Profit for the year used for computation of basic and diluted earnings per share (₹ in Lakhs)	(5,149.77)	1,544.71
Weighted average number of equity shares used in calculating basic EPS [refer note 22(a)]	2,88,57,303	2,88,47,322
Effect of dilutive potential equity shares #	3,28,842	1,55,011
Weighted average number of equity shares used in calculating diluted EPS	2,91,86,145	2,90,02,333
Earnings per equity share of ₹5 each before exceptional items		
Basic earnings per equity share [nominal value of share ₹5 (March 31, 2022: ₹5)]	(7.98)	5.35
Diluted earnings per equity share [nominal value of share ₹5 (March 31, 2022: ₹5)]	(7.98)	5.33
Earnings per equity share of ₹5 each after exceptional items		
Basic earnings per equity share [nominal value of share ₹5 (March 31, 2022: ₹5)]	(17.85)	5.35
Diluted earnings per equity share [nominal value of share ₹5 (March 31, 2023: ₹5)]	(17.85)	5.33
# Potential equity share are anti dilutive and hence not considered for March 31, 2023		

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

44 Employee benefits

The Group operates following employee benefit plans

I) Defined contribution plans: Provident fund, Superannuation fund, Employee state insurance scheme (ESIC) and Labour welfare fund.

II) Defined benefit plan: Gratuity (funded)

III) Other long term benefit plan: Compensated absences (unfunded)

I) Defined contribution plan

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
The Group operates defined contribution retirement benefit plans for all qualifying employees of the Group. The contribution to defined contribution plan recognised as expenses in the Consolidated statement of profit and loss for the year is as under (Refer Note 38)..		
Employer's contribution to provident fund	277.99	269.66
Employer's contribution to superannuation fund	1.77	1.85
Employer's contribution to ESIC and Employees Deposit Linked Insurance (EDLI)	9.96	12.53
Employer's contribution to labour welfare fund	0.11	0.10

II) Defined benefit plan

The Group operates a defined benefit plan, viz., gratuity.

In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognised Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination. Provision for Gratuity is based on actuarial valuation done by an independent actuary as at the year end. Each year, the Group reviews the level of funding in gratuity fund.

(a) Movements in the present value of the defined benefit obligation are as follows:

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Opening defined benefit obligation	**559.37**	**452.59**
Interest cost	35.44	28.29
Current service cost	63.13	57.71
Benefits paid	(77.59)	(16.03)
Actuarial (Gain)/loss on obligations- due to change in financial assumptions	(19.48)	(11.87)
Actuarial (Gain)/Loss on obligations- due to change in demographic assumptions	-	-
Actuarial (Gain)/loss on obligations- due to change in experience adjustment	8.89	48.68
Closing defined benefit obligation	**569.76**	**559.37**

(b) Movements in the fair value of the plan assets are as follows:

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Opening fair value of plan assets	**370.90**	**325.15**
Employer's contributions	38.21	37.47
Interest income	23.39	20.80
Administration expenses	-	-
Remeasurement gain / (loss) :		
Return on plan assets (excluding amounts included in net interest expense)	0.57	3.51
Benefit paid	(77.59)	(16.03)
Closing fair value of plan assets	**355.48**	**370.90**

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

44 Employee benefits (Contd.)

c) Reconciliation of fair value of plan assets and defined benefit obligation:

The amount included in the financial statements arising from the Group's obligation in respect of its defined benefit obligation plan is as follows:

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Fair value of plan assets	355.48	370.90
Present value of obligation	569.76	559.37
Amounts recognized in the Consolidated balance sheet surplus/(deficit)	**(214.28)**	**(188.47)**

d) The amount recognised in Consolidated statement of profit and loss in respect of the defined benefit plan are as follows:

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Current service cost	63.13	57.71
Net interest expense / (income)	12.06	7.48
Components of defined benefit costs recognised in Consolidated statement of profit and loss	**75.19**	**65.19**

e) The amount recognised in other comprehensive income in respect of the defined benefit plan is as follows:

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Remeasurement on the net defined benefits liability:		
Return on plan assets (excluding amounts included in net interest expense)	0.57	3.51
Actuarial gains/ (losses) arising from changes in financial assumptions	19.48	11.87
Actuarial gains / (losses) arising from changes in demographic assumptions	-	-
Actuarial gains / (losses) arising from changes in experience adjustments	(8.89)	(48.68)
Components of defined benefit recognised as income / (loss) in other comprehensive income	**11.16**	**(33.30)**

f) The principal assumptions used for the purpose of the actuarial valuations were as follows:

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Discount rate (per annum)	7.45%	7.05%
Salary escalation rate (per annum)	5.00%	5.00%
Expected rate of return on plan assets (per annum)	7.05%	7.05%
Retirement age	58 Years	58 Years
Mortality rate during employment (per annum)	Indian Assured lives Mortality (2012-14)	Indian Assured lives Mortality (2012-14)
Leaving Service (age groups)	21-30 years - 4%	21-30 years - 4%
	31-40 years - 3%	31-40 years - 3%
	41-50 years - 2%	41-50 years - 2%
	Above 50 years - 1%	Above 50 years - 1%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is considered as per declaration from Life Insurance Corporation of India (LIC).

The expected contributions for defined benefit plan for the next financial year is ₹35.00 Lakhs (for the year ended March 31, 2022 - ₹35.00 Lakhs).

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

44 Employee benefits (Contd.)

g) Maturity analysis of projected benefit obligation

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Expected benefits for Year 1	102.81	113.31
Expected benefits for Year 2	27.71	40.18
Expected benefits for Year 3	38.36	24.92
Expected benefits for Year 4	60.52	35.80
Expected benefits for Year 5	72.92	54.15
Expected benefits for Year 6	44.35	68.46
Expected benefits for Year 7	20.26	42.70
Expected benefits for Year 8	32.97	17.73
Expected benefits for Year 9	30.36	28.66
Expected benefits for Year 10 and above	807.52	747.33

h) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2023	March 31, 2022
Insurer Managed Funds	100%	100%

i) Sensitivity analysis

Significant actuarial assumptions for determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at end of year, while holding all other assumptions constant. The result of sensitivity analysis is given below:

Particulars	March 31, 2023 Impact on defined benefit obligation	March 31, 2022 Impact on defined benefit obligation
Discount rate (- 0.50%)	4.31%	4.33%
Discount rate (+ 0.50%)	-4.01%	-4.02%
Salary Escalation Rate (- 0.50%)	-3.93%	-3.90%
Salary Escalation Rate (+ 0.50%)	4.19%	4.17%

j) Risks exposure:

Risks exposure:

The plan typically exposes the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment risk : The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields on government bonds denominated in Indian rupees. If the actual return on plan assets is below this rate, it will create a plan deficit. However, the risk is mitigated by investment in LIC managed fund.

Interest risk : A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the value of the plan's investment in LIC managed fund.

Longevity risk : The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk : 'The inherent risk for the Company mainly are adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

44 Employee benefits (Contd.)

III) Other long term benefit plan

'Actuarial valuation for compensated absences is done as at the year end and provision is made as per Company rules with corresponding charge / (credit) to the Standalone statement of profit and loss amounting to (₹77.02) Lakhs [March 31, 2022: (₹110.09 Lakhs)] and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation

Obligation in respect of defined benefit plan and other long term employee benefit plans are actuarially determined at the year end using the "Projected unit credit model". Gains and losses on changes in actuarial assumptions relating to defined benefit obligation are recognised in OCI where as gains and losses in respect of other long term employee benefit plans are recognised in the Standalone statement of profit and loss.

45 Leases

(A) Assets taken on lease

The Group has taken on lease and license basis certain residential, office premises and vehicles on lease basis. The Group also has lease arrangements for lands taken on lease at Dahej and Saykha. The lease term in respect of these lease ranges from 2 to 99 years. In respect of the said leases, the additional information is as under.

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Depreciation charge for right-of-use assets	131.64	168.75
Expenses relating to leases of low-value assets accounted for on straight line basis (included in Rent expenses in Note 41)	94.50	59.72
Total cash outflow for leases	**127.94**	**136.57**

Maturity analysis of lease liabilities (on undiscounted basis) (₹ in Lakhs)

Particulars	Amount	Amount
Less than one year	88.02	147.40
One to five years	167.09	251.93
More than five years	93.10	771.62
Total	**348.20**	**1,170.95**
Weighted average incremental borrowing rate applied to lease liabilities recognised in the balance sheet	10%	10%

Particulars	March 31, 2023	March 31, 2022
As at the beginning of the year	303.76	286.21
Accretion of Interest	59.88	122.17
Interest payment Lease liabilities (Refer note 39)	32.08	31.95
Payments	(127.94)	(136.57)
As at the end of the year	267.78	303.76
Lease liabilities		
Current	199.11	196.78
Non-Current	68.67	106.98
Total Lease liabilities	**267.78**	**303.76**

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

45 Leases (Contd.)

The following is the summary of practical expedients elected on initial application:

i) The Group has not reassessed whether a contract is or contains a lease at the date of initial application.

ii) The Group has utilised the exemptions provided for short-term leases (less than a year) and leases for low value assets.

iii) The Group has utilised hindsight in determining the lease terms where contracts contained options to extend or terminate the lease.

iv) Initial direct costs are excluded from the measurement of right-of-use assets at the date of initial application

General description of significant leasing agreements

(i) Refundable interest free deposits have been given under lease agreements.

(ii) Some of the agreements provide for early termination by either party with a specified notice period / renewal with conditions

B. Assets given on lease

The Parent Company has entered into operating lease agreement for sublease of property in Worli, Mumbai with original lease period expiring on May 2024.

The Parent Company has also entered into various operating lease agreements for its properties in Thane with original lease periods expiring up to October 2027. These agreements have a non-cancellable period at the beginning of the period for 3/5 years and have rent escalation provisions of 5% every year or 12% to 23% after 2/3 years.

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
a) Rent income recognised in the Consolidated statement of profit and loss	1,151.28	1,323.50
[Includes rentals on sub-lease of ₹156.34 lakhs (March 31, 2021: ₹219.48 lakhs)]		
b) Future minimum lease income under the non-cancellable leases in the aggregate and for each		
of the following periods:		
i) Not later than one year	276.82	456.64
ii) Later than one year and not later than five years	662.37	1,433.39
iii) More than five years	-	-

Note 46 - Segment information:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Parent Company. The Managing Director of the Parent Company, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CODM of the Parent Company. The Group has identified the following segments as reporting segments based on the information reviewed by CODM.

The business segments have been identified considering :

a) the nature of products and services

b) the differing risks and returns

c) the internal organisation and management structure, and

d) the internal financial reporting systems

The segment information presented is in accordance with the accounting policies adopted for preparing the consolidated financial statements of the Group. Segment revenues, expenses and results include inter-segment transfers.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Note 46 - Segment information: (Contd)

A) The primary reporting of the Group has been performed on the basis of business segments, viz: Chemicals/Bulk Drug- Manufacturing and selling of chemicals, primarily bulk drugs and enzymes. Property - Renting of properties.

Segments have been identified and reported based on the nature of the services, the risk and returns, the organisation structure and the internal financial reporting systems.

		2022-2023 / 2021-2022		
		Bulk Drug/Chemicals	**Property**	**Total**
a.	**Revenue**			
1	Segment revenue	**27,958.16**	**6,321.36**	**34,279.52**
		38,527.96	1,641.95	*40,169.91*
	Less : Inter-segment revenue	**-**	**18.00**	**18.00**
		-	18.00	*18.00*
	Unallocated revenue (net)			**1,502.25**
				513.25
2	Total			**35,763.77**
				40,665.16
b.	**Result**			
1	Segment profit	**(5,698.78)**	**5,416.16**	**(282.62)**
		4,038.57	623.96	*4,662.53*
2	Finance costs			**2,078.23**
				1,708.43
3	Unallocable income/(expenditure) (net)			**19.89**
				(261.50)
4	Inter segment results			**1.28**
				1.71
5	Profit before tax			**(2,339.68)**
				2,694.31
6	Exceptional item			**2,847.68**
				(-)
7	Tax expense			
	- current tax			**3.56**
				743.71
	- deferred tax credit			**280.07**
				444.54
	- Adjustment of tax related to earlier years			**(115.57)**
				(-)
7	Profit after tax			**(5,355.42)**
				1,506.06

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Note 46 - Segment information: (Contd)

	2022-2023		
	2021-2022		
	Bulk Drug/Chemicals	**Property**	**Total**
c. Other information			
1. Segment assets	**47,443.05**	**3,340.63**	**50,783.68**
	50,607.03	7,107.93	*57,714.96*
2 Unallocated corporate assets			**12,797.03**
			12,969.29
3. Total assets			**63,580.71**
			70,684.25
4. Segment liabilities	**5,676.16**	**3,811.77**	**9,487.93**
	6,586.77	1,193.28	*7,780.05*
5. Unallocated corporate liabilities			**22,904.19**
			25,759.01
6. Total liabilities			**32,392.12**
			33,539.06
7. Cost incurred during the year to acquire			
- segment tangible and intangible assets	**4,048.94**	**-**	**4,048.94**
	3,571.93	140.89	*3,712.82*
- unallocated segment tangible and intangible assets			-
			-
8. Depreciation and amortization expense	**2,484.87**	**259.96**	**2,824.75**
	2,161.95	375.78	*2,537.73*
9 Unallocated depreciation			-
			18.43

(Figures in italics are the corresponding figures in respect of the previous year.)

The previous year figures have been reclassified to disclose balances under respective segments

B) Geographical information

Geographical information is reported on the basis of the geographical location of the customers. The management views the Indian market and export markets as distinct geographical markets.

Revenue by market – The following is the distribution of the Group's revenue by geographical market: (₹ in Lakhs)

	March 31, 2023	March 31, 2022
India		
Bulk Drug/Chemicals	8,811.01	12,159.94
Property	6,303.06	1,623.95
Others	756.00	752.62
Europe - Bulk Drug/Chemicals	6,819.94	10,342.81
USA - Bulk Drug/Chemicals	4,187.84	4,936.45
Others countries - Bulk Drug/Chemicals	8,885.92	10,849.39
	35,763.77	**40,665.16**

Assets by geographical area – The following is the carrying amount of segment assets by geographical area in which the assets are located:

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Note 46 - Segment information: (Contd)

Revenue by market – The following is the distribution of the Group's revenue by geographical market: (₹ in Lakhs)

	Assets	
	March 31, 2023	March 31, 2022
India		
Bulk Drug/Chemicals	56,337.42	57,661.71
Property	3,340.63	7,071.93
Europe		
Bulk Drug/Chemicals	1,997.32	3,208.39
USA		
Bulk Drug/Chemicals	1,905.33	2,742.22
	63,580.71	**70,684.25**

During the year ended March 31, 2023, the Group has not generated revenue of 10% or more of the Group's total revenue for any customer. (March 31, 2022 : ` Nil).

Note 47 - List of entities included in the consolidated financial statements is as under

	Country of Incorporation	Proportion of ownership interest as at	
		March 31, 2023	March 31, 2022
Parent Company:			
Fermenta Biotech Limited (Formerly Known as DIL Limited)	India		
Subsidiaries			
Aegean Properties Limited	India	100.00%	100.00%
Fermenta Biotech GmbH	Germany	100.00%	100.00%
Fermenta Biotech (UK) Limited	United Kingdom	100.00%	100.00%
G.I. Biotech Private Limited *	India	100.00%	62.50%
Fermenta Biotech USA LLC (w.e.f. May 27, 2020)	United States	100.00%	100.00%
Fermenta USA LLC (w.e.f. December 01, 2020)	United States	52.00%	52.00%
Associate			
Health and Wellness India Private Ltd	India	47.15%	47.15%

*Application for strike off of G. I. Biotech Private Limited was made to Ministry Of Corporate Affairs on February 14, 2023, however the status is 'Under Process of Striking off'" as at March 31, 2023

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

48. Disclosure of additional information pertaining to the Parent Company, subsidiaries, associate as per Schedule III of Companies Act, 2013:

Sr No	Particulars	Name of the Entity	March 31, 2023								March 31, 2022							
			Net assets, i.e., total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income/(loss)		Share in total comprehensive income/(loss)		Net assets, i.e., total assets minus total liabilities		Share in profit/ (loss)		Share in other comprehensive income/(loss)		Share in total comprehensive income/(loss)	
			%	₹ in Lakhs	%	₹ in Lakhs	%	₹ in Lakhs	%	₹ in Lakhs	%	₹ in Lakhs	%	₹ in Lakhs	%	₹ in Lakhs	%	₹ in Lakhs
I	Parent Company	Fermenta Biotech Limited	106%	33,407.09	112%	(5,753.27)	-12%	17.26	108%	(5,736.01)	106%	39,597.19	196%	3,023.73	100%	(19.83)	197%	3,003.90
II	Subsidiary Companies																	
	a. India	Aegean Properties Limited	1%	160.73	0%	10.70	-	-	0%	10.70	0%	150.03	1%	8.95	-	-	1%	8.95
		G I Biotech Private Limited	0%	-	0%	(2.53)	-	-	0%	(2.53)	0%	2.66	0%	(0.41)	-	-	0%	(0.41)
	b. Foreign	Fermenta Biotech (UK) Limited	0%	34.46	0%	(0.64)	-	-	0%	(0.64)	0%	35.10	0%	(1.69)	-	-	0%	(1.69)
		Fermenta Biotech GmbH	-11%	(3,464.19)	47%	(2,416.66)	138%	(203.13)	49%	(2,619.79)	-4%	(1,656.28)	-84%	(1,300.38)		-	-81%	(1,300.38)
		"Fermenta Biotech USA LLC (Consolidated with its subsidiary) "	1%	159.57	11%	(562.37)	-26%	38.39	10%	(523.98)	2%	683.55	-11%	(162.82)			-10%	(162.82)
III	Non-controlling interests in all subsidiaries		1%	274.90	-4%	205.65	-	-	-4%	205.65	0%	68.26	3%	38.65	-	-	2%	38.65
IV	Total Eliminations / Consolidation Adjustments		3%	890.95	-65%	3,369.38	-	-	-64%	3,369.38	-4%	(1,667.06)	-4%	(61.34)	-	-	-4%	(61.34)
		Total	100%	31,463.51	100%	(5,149.74)	100%	(147.48)	100%	(5,297.22)	100%	37,213.45	100%	1,544.69	100%	(19.83)	100%	1,524.86

*Investments accounted as per the equity method

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

49 - Related parties disclosures as per Ind AS 24

A) Names of the related parties where there are transactions and description of relationships

a) Holding Company:

DVK Investments Private Limited

b) Key Management Personnel

Name of Key Management Personnel	Designation
Mr. Krishna Datla (also a person controlling the Holding Company)	Managing Director upto May 08, 2021 Executive Vice-Chairman (w.e.f. May 9, 2021)
Mr. Satish Varma	Executive Director
Mr. Sanjay Buch	Non-Executive Director and Chairman
Mrs. Rajeshwari Datla (also relative of the Executive Vice-Chairman)	Non-Executive Director
Mrs. Anupama Datla Desai (also relative of the Executive Vice-Chairman)	Executive Director
Dr. Gopakumar Nair	Non-Executive Director
Mr. Vinayak Hajare	Non-Executive Director
Mrs. Rajashri Ojha	Non-Executive Director
Mr. Pramod Kasat	Non-Executive Director
Mr. Prashant Nagre	Chief Executive Officer upto May 08, 2021 Managing Director (w.e.f. May 9, 2021)
Mr. Sumesh Gandhi	Chief Financial Officer
Mr. Srikant N Sharma	Company Secretary

c) Associate

Health and Wellness India Private Limited

d) Enterprises under significant influence of key management personnel or their relatives:

Magnolia FNB Private Limited

Dupen Laboratories Private Limited

Lacto Cosmetics (Vapi) Private limited

Silk Road Communications Private Limited.

B) Related party transactions:

(₹ in Lakhs)

Sr. No.	Particulars	Holding Company	Key Management Personnel*	Enterprises under significant influence of key management personnel or their relatives
1	**Remuneration to Directors and Key Management Personnel (including commission)***			
	Mr. Krishna Datla	-	227.60	-
		(-)	(129.81)	(-)
	Mr. Satish Varma	-	162.95	-
		(-)	(131.78)	(-)
	Ms. Anupama Datla Desai	-	117.06	-
		(-)	(117.47)	(-)
	Mr. Prashant Nagre	-	174.75	-
		(-)	(146.02)	(-)
	Mr. Sumesh Gandhi	-	95.42	-
		(-)	(89.95)	(-)
	Mr. Srikant N Sharma	-	65.40	-
		(-)	(62.60)	(-)

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

49 - Related parties disclosures as per Ind AS 24 (Contd)

(₹ in Lakhs)

Sr. No.	Particulars	Holding Company	Key Management Personnel*	Enterprises under significant influence of key management personnel or their relatives
2	**Directors sitting fees**			
	Mr. Sanjay Buch	-	8.20	-
		(-)	(12.30)	(-)
	Dr. Gopakumar Nair	-	7.80	-
		(-)	(12.00)	(-)
	Ms. Rajeshwari Datla	-	7.50	-
		(-)	(11.50)	(-)
	Mr. Vinayak Hajare	-	8.20	-
		(-)	(12.50)	(-)
	Ms. Rajashri Ojha	-	5.00	-
		(-)	(8.20)	(-)
	Mr. Pramod Kasat	-	4.00	-
		(-)	(-)	(-)
3	**Sale of products**			
	Dupen Laboratories Private Limited	-	-	29.37
		(-)	(-)	(34.66)
4	**Rent income**			
	DVK Investments Private Limited	0.30	-	-
		(0.30)	(-)	(-)
	Magnolia FNB Private Limited	-	-	0.30
		(-)	(-)	(0.30)
	Silk Road Communications Private Limited	-	-	1.35
		(-)	(-)	(1.35)

(Figures in brackets are the corresponding figures in respect of the previous year.)

* Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

C) Balance outstanding as at the end of the year :

(₹ in Lakhs)

		March 31, 2023	March 31, 2022
a.	**Trade receivables**		
	Enterprises under significant influence of key management personnel or their relatives		
	Dupen Laboratories Pvt Ltd	8.66	8.66
	Silk Road Communications Private Limited	0.13	0.20
b.	**Other financial liabilities**		
	Key management personnel		
	Mr. Krishna Datla	-	40.00
c.	**Provision for diminution in the value of investment, inter-corporate deposits and other financial assets**		
	Associate		
	Health and Wellness India Private Limited	223.34	223.34
d.	**Inter corporate deposits**		
	Associate		
	Health and Wellness India Private Limited	37.00	37.00

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

49 - Related parties disclosures as per Ind AS 24 (Contd)

D) The Company has granted ESOP options to Key management personnel as mentioned below and for terms Refer to note 61

Particulars	No of Options Grant	No of Options Vested	No of Options Cancelled	No of Options Exercise
Mr. Prashant Nagre	-	-	-	-
	-	(2,17,410)	-	-
Mr. Sumesh Gandhi	-	3,213	4,819.00	-
	-	(9,639)	(14,458.00)	-
Mr. Srikant Sharma	-	2,409	3,614.00	-
		(7,228)	(10,842.00)	

Note. Figure in brackets of previous year

All transactions entered into with Related Parties during the financial year were in the ordinary course of business and on arm's length pricing basis.

50 - Research and development expenditure:

Research and development expenditure of ₹1,338.60 Lakhs (March 31, 2022: ₹818.71 Lakhs) (excluding interest and depreciation) has been charged to the Consolidated statement of profit and loss. The capital expenditure in the current year on research and development amounts to ₹14.14 Lakhs (March 31, 2022: ₹257.20 Lakhs).

51 - During the year ended March 31, 2023, directors sitting fees to Non-Excecutive Directors aggregating ₹40.70 Lakhs has been charged to the Consolidated statement of profit and loss. (March 31, 2022 ₹56.50 Lakhs)

52 - Categories of the financial instruments

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Financial assets		
Financial assets measured at fair value through Other comprehensive income		
Investments in equity instruments - quoted	30.70	24.60
Investments in equity instruments - unquoted	4.11	4.11
Financial assets measured at amortised cost		
(i) Trade receivables	4,164.94	8,709.01
(ii) Cash and cash equivalents	3,524.16	1,305.61
(iii) Bank balances other than (ii) above	2,303.75	2,055.31
(iv) Investments- Corporate fixed deposit	278.07	-
(v) Loans	120.00	2.35
(vi) Other financial assets	2,137.93	696.87
Total Financial assets	**12,563.66**	**12,797.86**
Financial liabilities measured at amortised cost		
(i) Borrowings	21,684.52	23,614.59
(ii) Lease liabilities	267.78	303.76
(iii) Trade payables	4,579.48	6,457.97
(iv) Other financial liabilities	951.94	1,324.48
Financial liabilities measured at fair value through profit or loss Derivatives not designated as hedge	64.78	23.57
Total Financial liabilities	**27,548.50**	**31,724.37**

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

53 - Reconciliation of Level 3 fair value measurements:

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Opening balance	4.11	4.11
	-	-
Closing balance	**4.11**	**4.11**

54 Fair value

Fair value of financial assets and financial liabilities that are not measured at fair value but fair value disclosures are required :

(₹ in Lakhs)

	Carrying value		Fair value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Financial assets				
(i) Trade receivables	4,164.94	8,709.01	4,164.94	8,709.01
(ii) Cash and cash equivalents	3,524.16	1,305.61	3,524.16	1,305.61
(iii) Bank balances other than (ii) above	2,303.75	2,055.31	2,303.75	2,055.31
(iv) Investments- Corporate fixed deposit	278.07	-	278.07	-
(iv) Loans	120.00	2.35	120.00	2.35
(v) Others financial assets	2,137.93	696.87	2,137.93	696.87
Total assets	**12,528.85**	**12,769.15**	**12,528.85**	**12,769.15**
Financial liabilities				
(i) Borrowings	21,684.52	23,614.59	21,684.52	23,614.59
(ii) Lease liabilities	267.78	303.76	267.78	303.76
(iii) Trade payables	4,579.48	6,457.97	4,579.48	6,457.97
(iv) Other financial liabilities	951.94	1,324.48	951.94	1,324.48
(v) Derivatives not designated as hedge	64.78	23.57	64.78	23.57
Total liabilities	**27,548.50**	**31,724.37**	**27,548.50**	**31,724.37**

The financial assets above do not include other investments measured at fair value through OCI.

The Management largely due to short term maturity consider that the carrying amounts of financial assets and financial liabilities recognised in the consildated financial statements approximate their fair values.

55 -Fair value hierarchy :

(₹ in Lakhs)

	March 31, 2023		March 31, 2022	
	Fair Value	Fair value hierarchy	Fair Value	Fair value hierarchy
Financial assets measured at fair value through Other comprehensive income				
Investments in equity shares-quoted	30.70	Level 1	24.60	Level 1
Investments in equity shares-unquoted	4.11	Level 3	4.11	Level 3
Financial Liabilities measured at fair value through profit or loss				
Derivatives not designated as hedge	64.78	Level 1	23.57	Level 1

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

56 - Financial risk management objectives and policies

The Group is exposed to credit risk, liquidity risk and market risk. The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Board of Directors review and agree policies for managing each of these risks, which are summarised below.

a) Market risk:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates, commodity prices and equity price risk). Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term borrowings. The Group is exposed to market risks related to foreign exchange rate risk, commodity rate risk, interest rate risk and other price risks, such as equity price risks. Thus, the Group's exposure to market risk is a function of borrowing activities, revenue generating and operating activities in foreign currencies.

i) Equity price risk

The Group's unlisted equity securities are susceptible to market price risk arising form uncertainties about future values of the investments in securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. The Group's Board of Directors review and approve, all investments in the equity investments.

As at March 31, 2023, the group had exposure to equity securities measured at fair value. The changes in fair values of the equity investments were strongly positively co-related with changes in market index. As at March 31, 2022, the Group did not have material investments in / exposure to quoted or unquoted securities.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term and short term borrowings obligations with floating interest rates.

The Group manages it's interest rate risk by having a balanced portfolio of fixed and variable rate long term and short term borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the borrowings. With all other variables held constant, the Group's profit before tax will be affected as below due to change in interest rate:

(₹ in Lakhs)

Year ended	(+)Increase/(-) decrease in basis points	Effect on profit (decrease) / increase #
March 31, 2023	+0.50	(117.39)
	-0.50	117.39
March 31, 2022	+0.50	(113.28)
	-0.50	113.28

Loss before tax will have an equal but opposite impact.

For the years ended March 31, 2023 and March 31, 2022 every 50 basis point decrease in the floating interest rate component applicable to its loan and borrowings would increase in the Group's profit by ₹117.39 Lakhs and ₹113.28 Lakhs respectively. A 50 basis point increase in floating interest rate would lead to an equal but opposite effect.

iii) Commodity rate risk

Exposure to market risk with respect to commodity prices primarily arises from the Group's purchases and sales of active pharmaceutical ingredients, including the raw material components for such active pharmaceutical ingredients. The prices of the Group's raw materials generally are stable. Cost of raw materials forms the largest portion of the Group's cost of revenues. A large portion of the Group's sales are subject to commodity rate risk having a volatile pricing. The group monitors overall demand supply position and pricing movement to decide marketing strategies to overcome risk of changing prices of the products.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

56 - Financial risk management objectives and policies (Contd)

iv) Foreign currency risk

The Group's foreign exchange risk arises from its foreign currency revenues and expenses and foreign currency borrowings. As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Groups's revenues and expenses measured in Indian rupees may decrease or increase and vice-versa. The exchange rate between the Indian rupee and these foreign currencies have changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Group largely uses the natural hedge to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognised assets and liabilities.

The year end foreign currency exposures that have not been hedged (before giving effects of natural hedge) by derivative instrument or otherwise are given below:

A) Significant foreign currency risk exposure relating to trade receivables, other financial assets and cash and cash equivalents :

Particulars	March 31, 2023			March 31, 2022	
	Currency	Amount in foreign currency (in Lakhs)	₹ in Lakhs	Amount in foreign currency (in Lakhs)	₹ in Lakhs
Financial assets					
Cash and cash equivalents (including EEFC)	EURO	0.06	5.35	-	-
	USD	0.00	0.33	2.04	153.86
	SGD	0.02	1.05	0.02	0.92
	AED	0.01	0.19	0.01	0.17
	CHF	0.00	0.25	-	0.23
	OMR	0.00	0.74	-	0.69
	RUB	0.01	0.01	0.01	0.01
	BDT	0.09	0.00	-	-
	CAD	0.00	0.16	-	-
Business advances	AED	0.05	1.22	-	-
	EURO	10.27	915.33	12.90	1,107.34
	USD	0.25	20.49	-	-
Trade receivables and other financial assets	USD	25.15	2,124.62	32.91	2,487.08
	EURO	16.01	1,767.87	27.93	1,104.70

B) Significant foreign currency risk exposure relating to borrowings and trade payables :

Particulars	March 31, 2023			March 31, 2022		
	Currency	Amount in foreign currency (in Lakhs)	₹ in Lakhs	Currency	Amount in foreign currency (in Lakhs)	₹ in Lakhs
Financial liabilities						
	EURO	20.01	1,781.87	EURO	-	-
Trade payable	USD	1.66	136.38	USD	7.63	576.84
	SGD	0.00	0.03	CZK	-	-
Borrowings (PCFC)	EURO	34.69	3,090.35	EURO	30.38	2,556.69
	USD	-	-	USD	15.71	1,187.23
External Commercial borrowing (ECB)	EURO	4.90	436.15	EURO	10.77	906.56
Foreign Currency Term Loan (FCTL)	EURO	40.67	3,623.29	EURO	14.17	1,193.08

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

56 - Financial risk management objectives and policies (Contd)

C) Foreign currency sensitivity

For the years ended March 31, 2023 and March 31, 2022, every 5% strengthening in the exchange rate between the Indian rupee and the respective currencies for the above mentioned financial assets / liabilities would increase the Group's profit and increase the Company's total equity by approximately (net) (₹211.52) Lakhs and ₹133.64 Lakhs, respectively. A 5% weakening of the Indian rupee and the respective currencies would lead to equal but opposite effect. In Management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

D) Derivative contracts

The Parent is exposed to exchange rate risk that arises from its foreign exchange revenues and expenses, primarily in US Dollars and Euros and foreign currency debts in US dollars and Euros. The Group uses cross currency interest rate swap (known as, "derivatives") to mitigate its risk of changes in foreign currency exchange rates. The counterparty for these contracts is generally a bank.

The following table gives details in respect of the notional amount of outstanding foreign exchange derivative contract:

(₹ in Lakhs)

Particulars	Currency	Buy/Sell	Cross Currency	March 31, 2023	March 31, 2022
Derivatives not designated as hedges	-	-	-	-	-
Cross currency interest rate swap	EUR	Buy	INR	64.78	23.57

b) Credit risk

Credit risk is the risk of financial loss to the Group, if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers, loans and other financial assets. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counter party to which the Group grants credit terms in the normal course of business.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure.

i) Trade receivables

The Group has used expected credit loss (ECL) model for assessing the impairment loss. For this purpose, the Group uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers. The Group evaluates the concentration of risk with respect to trade receivables which is low, as its customers are widely spread with small outstanding amounts (For detailed movement in provision for trade receivables - Refer note 16)

(₹ in Lakhs)

Trade receivables	March 31, 2023	March 31, 2022
Not due	1,754.35	3,982.80
Less than 6 months	2,328.88	3,102.33
6 months-1 year	-	997.31
1-2 years	94.66	52.01
2-3 years	25.53	665.96
Beyond 3 years	391.21	329.91
	4,594.63	**9,130.32**

ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

56 - Financial risk management objectives and policies (Contd)

Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. Credit risk in case of Intercorporate deposit given is managed by the Group's in accordance with the Group's policy. ICD only be given out of surplus funds, are made only with the approval of the Group's Board of Directors and are reviewed by the Group's Board on an annual basis.

c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to settle or meet its obligations as they fall due. The Group's policy on liquidity risk is to maintain sufficient liquidity in the form of cash and investment in liquid mutual funds to meet the Group's operating requirements with an appropriate level of headroom. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

(₹ in Lakhs)

March 31, 2023	Amount	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	21,684.52	13,325.62	8,324.90	34.00
Other financial liabilities (including derivatives not designated as hedge)	1,016.72	908.34	108.38	-
Lease liabilities	267.78	68.67	115.81	83.30
Trade payables	4,579.48	4,579.48	-	-
Total	**27,548.50**	**18,882.11**	**8,549.09**	**117.30**

(₹ in Lakhs)

March 31, 2022	Amount	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	23,614.59	12,146.34	7,634.77	3,833.48
Other financial liabilities	1,348.05	775.62	72.43	500.00
Lease liabilities	303.76	106.98	122.19	74.59
Trade payables	6,457.97	6,457.97	-	-
Total	**31,724.37**	**19,486.91**	**7,829.39**	**4,408.07**

The Group had unutilised credit limit of borrowing facilities as at March 31, 2023: ₹1211.87 lakhs and as at March 31, 2022: ₹4,881.51 lakhs from banks.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

57 - Capital management

The Group's capital management objectives are:

- to ensure the Groups's ability to continue as a going concern; and
- to provide an adequate return to shareholders through optimisation of debts and equity balance.

The Group monitors capital on the basis of the carrying amount of debt less cash and cash equivalents as presented on the face of the Consolidated financial statements. The Group's objective for capital management is to maintain an optimum overall financial structure.

(i) The gearing ratio at the end of the year was as follows:

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Debts (Term loans and loans repayable on demand including current maturities of long term borrowings)	21,684.52	23,614.59
Less: Cash and cash equivalents (Refer note 18)	3,524.16	1,305.61
Net debt	**18,160.36**	**22,308.98**
Total equity	31,463.49	37,213.47
Net debt to equity ratio	58%	60%

(ii) Dividend on equity shares paid during the year

	March 31, 2023	March 31, 2022
Dividend on equity shares		
Dividend for the year ended March 31, 2022 of ₹1.25 per share on 2,94,30,987 equity shares of ₹5.00/- each, fully paid up (net of 5,83,665 equity shares of ₹5.00/- each which were held by ESOP Trust) [Refer note 23(c)]	360.59	721.18

Dividends not recognised at the end of the reporting period

The Board of Directors of the Company at its meeting held on May 29, 2023 have recommended dividend of ₹1.25 per share. The proposed dividend is subject to the approval of shareholders in the ensuring annual general meeting and hence not recognised as a liability.

58 - Investment properties

The Group's investment properties consist of Thane One Building and freehold land located at Majiwade Thane. Out of the 16 floors, ground to 13 floors have been considered as Investment property by the Management. In addition to the above, the Group has a freehold land at Takawe and also premises at Ceejay House, Worli, Mumbai.

Criteria used for classification of property as investment property

The Group has considered the following for classification of property as investment property:

(i) Investment property comprises building and other assets required to provide ancillary services to the occupants of the investment property.

(ii) The properties that are not occupied by the Group for use in production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation are classified as investment property.

The Group has a building which is primarily meant for renting, is classified as an investment property, except for the part of that building which is used for administrative purposes, and hence classified as owner-occupied property. The Group has apportioned the cost of the property between investment property and owner-occupied property in the ratio of area used, respectively, as a percentage of total area."

The Group company has sold part of its Investment in Property consisting of floors sales in Thane One IT/ITES building accordingly, total income on sale of Investment Property for the year March 31, 2023 is ₹4,772.82 lakhs and has been recognised as income under the head revenue from operation pertaining to property segment.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

58 - Investment properties (Contd)

During the year the Group company, Mr. Krishna Datla and Ms. Rajeshwari Datla on behalf of the Group entered in to “”Memorandum of Understanding”” to Sell Freehold land located at Village Takwe (Budruk), Tal – Maval District – Pune admeasuring 21.39 Acres, with M/s. D1 Enterprises (as the Proposed Assignor) to and in favour of Nipro Pharmapackaging India Private Limited (as the Proposed Purchaser) of said land. The Group has received an advance of ₹841.50 lakhs (net of tax).”

Estimation of fair value

The fair value of the Investment Property has been determined in the financial period March 31, 2023 as ₹25301.49 Lakhs (March 31, 22 as ₹31,564.54 Lakhs). The fair value has been arrived by using per sq. feet sale consideration of the floors sold in Thane One IT/ITES building during the year.

The Fair value of Investment Property consisting of left out floors of Thane One IT/ITES and CeeJay House building.

Amount recognised in Consolidated statement of profit and loss (₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Income from investment properties		
Rent	1,530.54	1,623.95
Sale of Property	4,772.82	-
Less: Direct operating expenses (including repairs and maintenance) generating income from investment properties	627.24	678.80
Income arising from investment properties	5,676.12	945.15
Less: Depreciation	(259.96)	(283.64)
Income/(loss) arising from investment properties after depreciation	5,416.16	661.51

Refer note 45B for operating lease arrangements and total future minimum lease rentals receivable.

Refer note 6A for the existence of restrictions on the realisability of investment property or the remittance of income and proceeds of disposal.

59 - Income tax

A Tax expense recognised in the Consolidated statement of profit and loss and other comprehensive income consists of:

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Tax expenses:		
Current tax	3.56	743.71
Adjusment of tax related to earlier years	(115.57)	-
Deferred tax charge/(credit)	280.07	444.54
Income tax expense recognised in the Consolidated statement of profit and loss	168.06	**1,188.25**
Tax expense recognised in other comprehensive income	-	(9.70)
Total tax expense	**168.06**	**1,178.55**

B A reconciliation of income tax expense to the amount computed by applying the statutory income tax rate to the profit /(loss) before income tax is summarised below:

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
(Loss) / Profit before tax	(5,187.36)	2,694.31
Average Enacted income tax rate (%)	28.800%	29.120%
Income tax expense calculated at enacted income tax rate	(1,493.96)	784.58
Effect of tax on:		
Deferred tax assets not recognised on losses *	1,889.89	-
Expenses disallowed under Income Tax Act		55.21
Carried forward tax loss / unabsorbed tax depreciation of subsidairy for the current year for which DTA is not created	-	455.13

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

59 - Income tax (Contd)

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Incremental deduction on account of research and development costs	-	(74.90)
Deferred tax assets wrritten off	(112.30)	-
Others	-	(31.77)
Total income tax expense	283.63	1,188.26
Tax expense recognised in profit or loss	283.63	1,188.25
Tax expense recognised in other comprehensive income	-	(9.70)
Total tax expense	**283.63**	**1,178.55**

*A deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assests that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. As on March 31, 2023, Considering the company has incurred losses deferred tax asset to the extent of of such losses have not been recognised.

C The major components of deferred tax (liabilities)/assets arising on account of temporary differences are as follows:

(₹ in Lakhs)

Particulars	As at April 01, 2022	For the year ended March 31, 2023		
		Statement of profit and loss	Other comprehensive income	As at March 31, 2023
(I) Components of deferred tax assets (net)				
Deferred tax liabilities				
Property, Plant and Equipment, investment property and intangible assets: Impact of difference between written down value as per books of account and income tax	(2,426.96)	(1,133.32)	-	(3,560.28)
Deferred tax assets				
Expenses claimed for tax purpose on payment basis	195.12	(35.61)	-	159.51
Allowance for doubtful debts and advances	142.99	613.93	-	756.92
Allowance for impairment in the value of non current investment and share application money	138.33	12.00		150.33
Effect of deferred tax on Inventory and other related items	163.80	146.14	-	309.94
MAT Credit entitlement	5,292.47	(73.61)	-	5,218.86
Unabosrbed carried forward losses	106.21	78.40	-	184.61
Exchange differences on translation of foreign operations	3.26	118.44		121.70
Others	(15.79)	(6.44)	-	(15.79)
Deferred tax credit		**(280.07)**	**-**	**6,886.08**
Net deferred tax assets	**3,599.43**			**3,325.80**

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

59 - Income tax (Contd)

(₹ in Lakhs)

Particulars	As at April 01, 2021	For the year ended March 31, 2022		
		Statement of profit and loss	Other comprehensive income	As at March 31, 2022
(I) Components of deferred tax assets (net)				
Deferred tax liabilities				
Property, Plant and Equipment, investment property and intangible assets: Impact of difference between written down value as per books of account and income tax	(2,041.06)	(385.90)	-	(2,426.96)
Deferred tax assets				
Expenses claimed for tax purpose on payment basis	136.43	48.99	9.70	195.12
Allowance for doubtful debts and advances	162.14	(19.15)	-	142.99
Allowance for impairment in the value of non current investment and share application money	138.33	-	-	138.33
Effect of deferred tax on Inventory and other related items	142.19	21.61	-	163.80
MAT Credit entitlement	5,398.99	(106.52)	-	5,292.47
Unabsorbed depreciation/carried forward losses	77.75	28.46	-	106.21
Exchange differences on translation of foreign operations	-	-	3.26	3.26
Others	16.24	(32.03)		(15.79)
Deferred tax credit / (charge)	**-**	**(444.54)**	**12.96**	**6,026.39**
Net deferred tax assets	**4,031.01**			**3,599.43**

a) Group has assessed entity wise and as result deferred tax assets has recognised to the extent of deferred tax liabilities

b) Group controls the dividend policy of its subsidiary. It is able to control the timing of the reversal of temporary differences associated with that investment (including the temporary differences arising not only from undistributed profits but also from any foreign exchange translation differences). Therefore, the Group has determined that those profits will not be distributed in the foreseeable future and company has not recognised a deferred tax liability

D Details of unused tax losses and unabsorbed tax depreciation for which deferred tax assets have not been recognised:

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Unused tax losses (capital in nature)	90.08	124.35
Unused tax losses of subsidiary	4,953.03	1,714.87

The unused tax losses (capital in nature) will expire from financial year 2023-24 to financial year 2027-28 and unused tax losses of subsidiary can be used for indefinite period.

Pursuant to scheme of amalgamation, during the financial year 2018-19 (assessment year 2019-2020) Company has through revised income tax return filed on July 26, 2020, recognised an intangible assets of ₹60,390.05 Lakhs in the form of Goodwill in its income tax block of assets and has claimed under section 32(1) of the Income Tax Act, 1961 ('the Act') depreciation of ₹15,097.51 Lakhs for assessment year 2019-2020 and for assessment year 2020-2021, ₹11,323.15 Lakhs. Pending the outcome of the assessment by the income tax authorities, the aforesaid amount of depreciation has not been considered as deduction for arriving at the provision for taxation and also deferred tax assets has not been created on the amount recognised as goodwill for the purposes of the Act.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

60 Share-based payments

Employee share option plan of the Company

1.1 Details of the employee share option plan of the Company

This ESOP 2019 scheme had been framed pursuant to the Scheme of Amalgamation between the erstwhile Fermenta Biotech Limited ("Transferor Company") with the DIL Limited ("Transferee Company") and their respective shareholders. The Transferor Company prior to the Scheme of Amalgamation had implemented the 'Fermenta Biotech Limited - Employee Stock Option Plan 2019' and were granted employee stock options to its eligible employees. Further, the number of transferee options issued shall equal to the product of number of transferor options outstanding on effectiveness of Scheme multiplied by the Share exchange ratio (0.398) and each transferee option shall have an exercise price per equity share equal to transferor option exercise price per equity shares divided by the share exchange ratio (0.398) and fractions rounded off to the next higher whole number. The terms and conditions of ESOP 2019 Scheme of DIL Limited are not less favourable than those of ESOP Scheme of erstwhile Fermenta Biotech Limited. Under the ESOP 2019 Scheme, stock options have been issued to the eligible employees of erstwhile Fermenta Biotech Limited

In accordance with the terms of the plan, as approved by the erstwhile shareholders of Fermenta Biotech Limited at an extra general meeting, executives and senior employees with the Company were granted options to purchase equity shares.

Each employee share option converts into one equity share of the Parent Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The number of options granted is calculated in accordance with the performance-based formula and is subject to approval by the remuneration committee. The formula rewards executives and senior employees to the extent of the Parent Company and the individual's achievement judged against both qualitative and quantitative criteria.

The following share-based payment arrangements were in existence during the current year:

Options series	Number	Grant date	Expiry date	Exercise price	Fair value at grant dates
Plan 1 (60% of options granted under ESOP 2019)	1,01,614	25.02.2019, 12.08.2019 and 01.09.2020	25.02.2025, 12.08.2025 and 28.02.2025	83.67	421.71 and 298.16
Plan 1 (20% of options granted under ESOP 2019)	49,526	25.02.2019, 12.08.2019 and 01.09.2020	25.02.2026, 12.08.2026 and 28.02.2026	83.67	421.71 and 298.16
Plan 1 (20% of options granted under ESOP 2019)	28,270	25.02.2019, 12.08.2019 and 01.09.2020	25.02.2027, 12.08.2027 and 28.02.2027	83.67	421.71 and 298.16
Plan 2 (100% of options granted under ESOP 2019)	2,17,410	25.02.2019	25.02.2025	83.67	418.22

Options granted under ESOP 2019 shall vest not before 1 (one) year and not later than maximum Vesting Period of 5 (five) years from the date of grant of such Options. Subject to the minimum vesting period of one year, the Nomination and Remuneration Committee of the Board at its discretion approve for acceleration of Vesting of any or all unvested Options of the Option Grantee.

The above number of options, fair value at grant dates and exercise price were adjusted in accordance with the Share exchange ratio (0.398:1) as per the scheme of amalgamation.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

60 Share-based payments (Contd.)

1.2 Fair value of share options granted

The weighted average fair value of the share options granted during the financial year is Nil (Previous year ₹298.16). Options were priced using Black-Scholes option pricing model. Where relevant, the expected life used in the model has been calculated based on a weighted average of vests. Expected volatility is based on the historical share price information of similar listed entities.

Inputs into the model	Option series			
	Plan 1 (60% of options granted under ESOP 2019)	Plan 1 (20% of options granted under ESOP 2019)	Plan 1 (20% of options granted under ESOP 2019)	Plan 2 (100% of options granted under ESOP 2019)
Grant date share price	298.16 and 298.16	298.16 and 298.16	298.16 and 298.16	418.22
Exercise price	83.67	83.67	83.67	83.67
Expected volatility	69.28% and 65.33%	68.83% and 61.84%	68.08% and 60.02%	69.28%
Option life	4.51 years and 4 years	5.51 years and 5 years	6.51 years and 6 years	4.51 years
Dividend yield	0% and 0.57%	0% and 0.57%	0% and 0.57%	0.00%
Risk-free interest rate	7.14% and 5.22%	7.25% and 5.53%	7.35% and 5.78%	7.14%

1.3 Movements in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year:

	March 31, 2023		March 31, 2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at beginning of year	3,96,821	83.67	4,85,258	83.67
Granted during the year	-	-	-	-
Forfeited during the year	-	-	88,437	83.67
Bonus options issued during the year	-	-	-	-
Exercised during the year	9,981	83.67	-	-
Expired during the year	-	-	-	-
Balance at end of year	**3,86,840**	**83.67**	**3,96,821**	**83.67**

1.4 Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average exercise price of ₹83.67 (as at March 31, 2022: ₹83.67), and a weighted average remaining contractual life of 0.78 year.

The company reassess the number of options granted to the egilbile employees basis the Employee Stock Option Performance scheme offered which is conditional upon company's and individual's performance. Basis the performace evalution, the company determines the amount of share based payments to be charged or credited. As currently, the performace has not been met the expense charged earlier have been reversed. Thus, resulting in share based payements gain.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

61 Ratio

(₹ in Lakhs)

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variance	Reason for variance
Current Ratio	25,297.45	20,868.87	1.21	1.52	-20.04%	Due to provision of inventory and trade receivables
	(31,401.99)	(20,712.34)				
Debt-Equity Ratio	21,684.52	31,463.49	0.69	0.63	8.61%	*
	(23,614.59)	(37,213.47)				
Debt Service Coverage Ratio	2,426.72	4,686.13	0.52	1.61	-67.93%	Due to lower profitability
	(5,773.32)	(3,575.52)				
Return on Equity Ratio	(2,507.74)	34,338.48	(0.07)	0.04	-277.65%	Due to lower profitability
	(1,506.06)	(36,636.25)				
Inventory turnover Ratio	34,994.39	14,480.82	2.42	2.48	-2.45%	*
	(39,851.57)	(16,087.35)				
Trade Receivables turnover Ratio	34,994.39	6,436.98	5.44	5.14	5.80%	*
	(39,851.57)	(7,755.25)				
Trade payables turnover Ratio	10,287.27	5,518.73	1.86	2.13	-12.55%	*
	(13,505.65)	(6,335.84)				
Net capital turnover Ratio	34,994.39	4,428.58	7.90	3.73	111.96%	Due to reduction of net working capital
	(39,851.57)	(10,689.65)				
Net profit Ratio	(5,355.42)	34,994.39	(0.15)	0.04	-504.95%	Due to lower profitability
	(1,506.06)	(39,851.57)				
Return on Capital employed	(261.45)	50,392.88	(0.01)	0.08	-106.82%	Due to lower profitability
	4,402.74	57,904.81				
Return on investment	(5,355.42)	34,338.48	(0.16)	0.04	-479.39%	
	1,506.06	36,636.25				

* Ratio variance below threshold limit defined as per Schedule III of Companies Act 2013.

Current Ratio :	Current Assets/ Current Liabilities
Debt – Equity Ratio :	Total Debt/Shareholder's Equity
Debt Service Coverage Ratio :	Earnings available for debt service/Debt Service Earning for Debt Service = Net Profit/(loss) after taxes and before exceptional items + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc. Debt service = Interest & Lease Payments + Principal Repayments
Return on Equity (ROE) :	Net Profits/(loss) after taxes before exceptional items – Preference Dividend (if any)/Average Shareholder's Equity
Inventory Turnover Ratio :	Cost of goods sold OR sales/ Average Inventory Average inventory is (Opening + Closing balance / 2)
Trade receivables turnover Ratio :	Net Credit Sales/ Avg. Accounts Receivable Net credit sales consist of gross credit sales minus sales return. Trade receivables includes sundry debtors and bills receivables Average trade debtors = (Opening + Closing balance / 2)
Trade payables turnover Ratio :	Net Credit Purchases/ Average Trade Payables
Net capital turnover Ratio :	Net Sales / Working Capital Net sales shall be calculated as total sales minus sales returns. Working Capital shall be calculated as Current assets minus Current liabilities.
Net profit Ratio :	Net Profit/ Net Sales Net profit shall be after tax. Net sales shall be calculated as total sales minus sales returns.
Return on capital employed (ROCE) :	Earning before interest and taxes/Capital Employed Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

62 - Commitments:

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	2,677.29	2,445.41
(b) Lease commitments	59.13	162.66

63 - Contingent liabilities:

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Claims against the Group not acknowledged as debts;		
a) Tax matters		
Service tax department raised demand of ₹22.50 Lakhs consisting of Service Tax of ₹7.50 Lakhs and penalty of ₹15.00 Lakhs in connection with services rendered post demerger of the pharmaceutical division. Commissioner of Service Tax Mumbai and CESTAT has upheld the order of Joint Commissioner of Service Tax. The Company has preferred an appeal to Bombay High Court.	22.50	22.50
The Deputy Commissioner of sales tax has confirmed the order of the Assistant Commissioner of sales tax Vapi, Gujarat for year 1992-93 and 1993-94 for demand of interest and penalty due to shortfall in tax payment on account of computation of purchase tax setoff. Company has preferred an appeal to sales tax tribunal Ahmedabad, Gujarat and obtained stay against the order/demand of the Assistant Commissioner pending final disposal.	4.63	4.63

Note: Future cash outflows in respect of the above are determinable only on receipt of judgements/decisions pending with various authorities/forums and/or final outcome of the matters.

Note 64 - Details of dues to micro and small enterprises as per Micro, Small and Medium Enterprise Development Act, 2006

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
(a) i) Principal amount remaining unpaid to any supplier at the end of the accounting year	280.47	224.72
ii) Interest due on above	-	-
The Total of (i) and (ii)	280.47	224.72
(b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006) along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the auditors.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

65- Capitalisation of borrowing costs

During the year ended March 31, 2023, the Group capitalised the following borrowing costs attributable to qualifying assets to the cost of property, plant and equipment / capital work-in-progress (CWIP). Consequently, finance costs disclosed under note 39 are net of amounts capitalised by the Group Company.

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Finance costs (Including forex revaluation)	97.07	81.29
Total	97.07	81.29

Note 66 The Group company ('Fermenta') has signed a Binding Term Sheet on January 31, 2022 with Mextech Property Developers LLP ('Mextech') and granted development rights to Mextech for construction of residential-cum-comercial buildings in the balance portion of Thane land. In lieu of this the Group would receive residential flats on an area sharing basis aggregating 120,000 square feet RERA carpet area along with amenities. The Group has accordingly received ₹1,500 lakhs as a deposit from Mextech.

Note 67 - The President has given his assent to the Code on Social Security, 2020 ("Code") in September 2020. On November 13, 2020 the Ministry of Labour and Employment released draft rules for the Code. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact once the subject rules are notified and will give appropriate impact to its financial statements in the period in which the Code becomes effective.

Note 68 - The Board of Directors in its meeting held on January 31, 2022, approved the Composite Scheme of Amalgamation and Arrangement (""Scheme"") amongst DVK Investments Private Limited (Holding Company) and Aegean Properties Limited (Wholly owned subsidiary) with the Company in suppression of its earlier resolution passed on October 11, 2021. Subsequent to the balance sheet date, the Scheme has been approved by the National Company Law Tribunal, Mumbai Bench (NCLT) on May 8, 2023. As per the scheme, the merger shall be given effect from the appointed date which is the date of filing of the scheme with the Registrar of Companies (ROC). The Company has filed the certified copies of the NCLT orders along with the Scheme with the Registrar of Companies, Mumbai on May 24, 2023, which shall be considered the appointed date and effective date of the merger as per the Scheme. Accordingly, the impact of the merger has not been given effect to in the financial statements for the year ended March 31, 2023.

Note 69 - The accumulated losses at ₹4,131.52 lakhs (including loss of ₹585.24 lakhs for the quarter and ₹2,416.66 lakhs for the year ended March 31, 2023, respectively) in Fermenta Biotech GmbH, wholly owned subsidiary (WOS) of the Group company at Germany exceed the equity share capital and the Group company's investment at ₹831.21 lakhs. Further, the Group company has trade receivables of ₹3,611.82 lakhs and expenses recoverable of ₹462.74 lakhs from this WOS as at March 31, 2023. The WOS was incorporated fairly recently on June 14, 2019 and there has been considerable delay in obtaining the required approvals to execute sales for procedural reasons in view of the global pandemic "Covid-19". The WOS had obtained the required approvals in the previous quarter ended December 31, 2021 and commenced sales of its products. The management of the Group company is of the view that these losses have been incurred in view of the unusal circumstances explained and are temporary in nature. The WOS expects to gradually recoup the losses and be in a position to repay its dues to the Group company. During the period the Company had made provisions against the said inventory of ₹1940.54 lakhs, Further, the company made provision against investments, recoverable of expenses and trade receivable from Ferment Biotech GmbH (wholly owned Subsidiary dealing in animal feed business) and other parties of ₹4018.38 lakhs for the year ended March 31, 2023.

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Note 70 -

a) Detail of fund advanced or loaned or invested and guarantee, security or the like provided by the Parent Company ('Fermenta') to Intermediaries or on behalf of the Ultimate Beneficiaries as per Schedule III of Company act under Rule 11 (e)

Date	Amount	Currency	Name of intermediaries
10.01.2020	75000	EURO	Inter Gest Germany GMBH
17.01.2020	100000	EURO	Inter Gest Germany GMBH
03.02.2020	100000	EURO	Inter Gest Germany GMBH
29.04.2020	175000	EURO	Inter Gest Germany GMBH
01.10.2020	450000	EURO	Inter Gest Germany GMBH
26.02.2021	60000	EURO	Inter Gest Germany GMBH
22.04.2021	50000	EURO	Inter Gest Germany GMBH
30.06.2021	40000	EURO	Inter Gest Germany GMBH
05.08.2021	25000	EURO	Inter Gest Germany GMBH
13.08.2021	35000	EURO	Inter Gest Germany GMBH
09.09.2021	105000	EURO	Inter Gest Germany GMBH
18.11.2021	75000	EURO	Inter Gest Germany GMBH
08.12.2021	850000	USD	Fermenta Biotech USA LLC

i) Inter Gest Germany GmbH as at March 31, 2023 ₹907.14 lakhs (as at March 31, 2022 ₹1107.34 lakhs)

ii) Fermenta Biotech USA LLC as at March 31, 2023 ₹698.33 lakhs (as at March 31, 2021 ₹642.26 lakhs)

b) Detail of fund further advanced or loaned or invested and guarantee, security or the like provided by such Intermediaries to other intermediaries or Ultimate Beneficiaries as per Schedule III of Company act under Rule 11 (e)

Date	Amount	Currency	Name of intermediaries
20.01.2020	70000	EURO	Fermenta Biotech GmbH
21.01.2020	20000	EURO	Fermenta Biotech GmbH
23.01.2020	10000	EURO	Fermenta Biotech GmbH
04.02.2020	25000	EURO	Fermenta Biotech GmbH
05.02.2020	50000	EURO	Fermenta Biotech GmbH
24.02.2020	25000	EURO	Fermenta Biotech GmbH
30.04.2020	75000	EURO	Fermenta Biotech GmbH
05.10.2020	450000	EURO	Fermenta Biotech GmbH
01.03.2021	60000	EURO	Fermenta Biotech GmbH
31.03.2021	175000	EURO	Fermenta Biotech GmbH
01.06.2021	50000	EURO	Fermenta Biotech GmbH
02.07.2021	40000	EURO	Fermenta Biotech GmbH
06.08.2021	25000	EURO	Fermenta Biotech GmbH
17.08.2021	35000	EURO	Fermenta Biotech GmbH
14.09.2021	105000	EURO	Fermenta Biotech GmbH
19.11.2021	75000	EURO	Fermenta Biotech GmbH
20.12.2021	850000	USD	Fermenta USA LLC

c) The Parent Company ('Fermenta') has complied all the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) , Companies Act with for such transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).under Rule 11 (e)

Note 71 - Quarterly returns and statements of current assets for loans taken from Banks and Financial Institutions on the basis of security of current assets are filed by the Company with banks and Financial Institutions are in agreement with the books of accounts no such variations found further, HDFC Bank and Yes Bank has accepted the non-compliance of debt covenant and relaxed any penal provisions via email dated May 16, 2023 and May 18, 2023 and accordingly the borrowings are disclosed in the financial statements as non current borrowings for the year ended March 31, 2023. (refer note 24 and 28)

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Note 72 -

Exceptional item	₹ in Lakhs	Narration
Inventory	1940.54	The overall business of animal feed of the Group company has considerably reduced as compared to the expectation on account of subdued global demands. Basis the earlier expectation of the Group company of the animal feeds business, the Group company had kept stock of semi-finished goods to be used for the production of such animal feed. Considering the immediate uncertainty on the recovery of animal feed global demand, as a prudency the Company had made provisions against the said inventory
Other advanced	907.14	The Group company made provision against recoverable of expenses from other parties
Total	**2847.68**	

Note 73 - Previous year figures have been re-grouped /re-classified wherever necessary including those as required in keeping with revised Schedule III amendments.

Note 74 - Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property

(ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

(iv) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the year ended 31st March,2023.

Note 75 - The Consolidated financial statements are approved for issue by the Board of Directors of the Parent Company at its meeting held on May 29, 2023.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Poonam Todarwal**
Partner
Membership No. 136454

Thane, May 29, 2023

For and on behalf of the Board of directors of
Fermenta Biotech Limited

Krishna Datla
Executive Vice-Chairman
DIN 00003247

Prashant Nagre
Managing Director
DIN 09165447

Sumesh Gandhi
Chief Financial Officer
Thane, May 29, 2023

Srikant N. Sharma
Company Secretary

FERMENTA BIOTECH LIMITED

Corporate Identification Number (CIN): L99999MH1951PLC008485

Registered Office: A-1501, Thane One, DIL Complex, Ghodbunder Road, Majiwada, Thane (West) – 400 610, Maharashtra, India

Tel: +91-22-6798 0800/888 • Fax: +91-22-6798 0899 • Email : info@fermentabiotech.com • Website: www.fermentabiotech.com

NOTICE

Notice is hereby given that the **Seventy-First** Annual General Meeting ("**AGM**") of the Members of Fermenta Biotech Limited ("**Company**") will be held on Friday, 29th September, 2023, at 03:00 p.m. (IST) through Video Conferencing/Other Audio- Visual Means, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:
    (a) the audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023, Reports of the Board of Directors, and the Auditors thereon; and
    (b) the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023, and the Report of the Auditors thereon.
2. To declare dividend of ₹1.25 per equity share of ₹5 each for the financial year ended March 31, 2023.
3. To appoint a director in place of Ms. Rajeshwari Datla (DIN – 00046864), who retires by rotation and, being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

4. To consider, and if thought fit, pass with or without modification, the following resolution as an **Ordinary** Resolution:

Remuneration of Cost Auditor of the Company

"RESOLVED THAT pursuant to provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for time being in force), the members of the Company hereby approve the payment of remuneration of ₹2,75,000 (Rupees Two Lakhs Seventy Five Thousand only) plus taxes as applicable and reimbursement of out of pocket expenses, if any, to M/s Joshi Apte & Associates, Cost Accountants (Firm Registration Number – 00240), ('**Cost Auditor**') to conduct the cost audit in respect of applicable product(s) manufactured by the Company for the financial year ending on March 31, 2024".

5. To consider, and if thought fit, pass with or without modification, the following resolution as an **Ordinary** Resolution:

Approval for Material Related Party Transactions:

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 ("**Act**") read with the applicable rules issued thereunder (including any statutory modification(s) or re-enactment thereof), Regulation 2(1) (ZC), Regulation 23 (4) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") read with Securities and Exchange Board of India ("**SEBI**'") Master Circular SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 and other relevant circulars ("**SEBI Circulars**"), the Company's Related Party Transactions Policy and based on recommendation of the Audit Committee and the Board of Directors, the consent of the members of the Company be and is hereby accorded to enter into contract(s)/ arrangement(s) / transaction(s) at arm's length basis and in the ordinary course of business, with Fermenta USA LLC, a step-down subsidiary of the Company, for an amount not exceeding the aggregate ₹25,00,00,000 (Rupees Twenty - Five Crores only) and shall be valid from this AGM till the date of the next AGM for a period not exceeding fifteen months, and the Board of Directors is hereby authorized to decide the terms and conditions of the above contracts as may be considered appropriate in the interest of the Company;

RESOLVED FURTHER THAT the Board (includes its committee or directors of the Company) be and is hereby authorized to finalize terms and conditions in connection with execution of relevant deeds and documents and to do all such acts, deeds, and things, as it may deem necessary to give effect to this resolution and to do all such acts ,deeds and things as may be required to implement the foregoing resolution.

RESOLVED FURTHER THAT pursuant to the authority granted by the members under this resolution, all and any actions of the Board shall be deemed to be approved, and confirmed by the members and no further approval shall be required from the members thereof.

6. To consider, and if thought fit, pass with or without modification, the following resolution as an **Ordinary** Resolution:

Transfer of Special Reserve:

"**RESOLVED THAT** subject to the provisions of section 179 of the Companies Act, 2013 ('Act') and other applicable provisions of the Act, article 159 of the Articles of Association of the Company and other applicable regulations and other statutory approvals, as may be necessary, the consent of the members be and is hereby accorded to transfer or otherwise utilize the amount of 'special reserve' of ₹658.92 lakhs (acquired and held by the Company as a 'special reserve' pursuant to the amalgamation of DVK Investments Private Limited with the Company, pursuant to the NCLT order dated May 8, 2023), into general reserves, retained earnings, or any other revenue reserve that can be freely utilized by the Company in accordance with applicable law.

RESOLVED FURTHER THAT the Board (including its committee) be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and fit subject to applicable regulations and relevant statutory approvals as may be required, to implement at an appropriate time the foregoing resolution."

By Order of the Board of Directors of
Fermenta Biotech Limited

Srikant N. Sharma
Company Secretary & Vice President (Legal)
Membership No: FCS – 3617
Date: August 11, 2023, Thane

Registered Office:
A-1501, Thane One, DIL Complex,
Ghodbunder Road, Majiwade,
Thane (W) – 400 610, Maharashtra, India.

Annexure to Notice

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('Act').

Item No. 4

Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (as amended from time to time) provides that the remuneration of the Cost Auditor as recommended by the Audit Committee shall be considered and approved by the Board of Directors of the Company and thereafter ratified by the members of the Company.

Based on the recommendation of the Audit Committee, the Board of Directors has approved the appointment of M/s Joshi Apte & Associates, Cost Accountants [Firm Registration Number–00240], as Cost Auditors of the Company and their remuneration of ₹ 2,75,000 (Rupees Two Lakhs Seventy-Five Thousand only) for the financial year 2023-24 plus taxes as applicable. All out of pocket expenses in relation to the said Cost Audit shall be reimbursed to the Cost Auditor as per actuals. The Board of Directors recommend this resolution for approval of the members of the Company, as an Ordinary Resolution.

None of the Directors and the Key Managerial Personnel of the Company, including their relatives is in any way interested or concerned in this resolution.

Item No. 5

As per the provisions of Section 188 of the Companies Act, 2013 ('Act'), transactions entered with related parties which are on an arm's length basis and in the ordinary course of business, are exempted from the requirement of obtaining prior approval of members.

Pursuant to the provisions of Regulation 2(1)(ZC) ,Regulation 23 (4) and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), with effect from April 1, 2022, all 'material' Related Party Transactions shall require prior approval of the members through resolution and no related party shall vote to approve such resolution. For this purpose, a transaction with a related party shall be considered 'material', in accordance with the provision specified in the Related Party Transaction Policy of the Company, i.e., transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed ₹1,000 crores or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

SEBI vide its Master Circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, stipulated that the members' approval of omnibus related party transactions approved in an annual general meeting shall be valid till the date of the next annual general meeting for a period not exceeding fifteen months.

The Company has a wholly owned subsidiary named Fermenta Biotech USA LLC incorporated in the United States of America ("**FBU**"). FBU holds 52% membership interest in Fermenta USA LLC ("**FUSA**"), a limited liability company based in Texas, US. Accordingly, FUSA is a step-down subsidiary of the Company. FUSA is, inter alia, in the domain of human and animal nutrition. The Company sells its products to FUSA for sale and distribution in the foreign markets.

Details of Material Related Party Transactions are as follows:

Sr.	Particulars	Details
1	Name of the Related Party	Fermenta USA LLC ("FUSA"), a limited liability company based in Texas, US.
2	Nature of Relationship with the Company	FUSA is a step-down subsidiary of the Company in which Fermenta Biotech USA LLC (Company's wholly owned subsidiary) holds 52% membership interest.
3	Type, material terms and particulars of the proposed transaction	(a) Sale of Company's products; and (b) Commission payable on sales of Company's products to FUSA.
4	Tenure of the proposed transaction	From the date of this AGM till the date of the next AGM for a period not exceeding fifteen months.
5	Value of the proposed Transaction	(a) Up to ₹23 crores for sale of Company's products. (b) Up to ₹2 crores for commission on sales to FUSA.
6	Percentage of the Company's annual consolidated turnover for the immediately preceding financial year that is represented by the value of the proposed transaction	~ 10%

Sr.	Particulars	Details
7	(a) Details of the source of funds in connection with the proposed transaction	Not applicable
	(b) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments - nature of indebtedness; - cost of funds; and - tenure.	Not applicable
	(c) Applicable terms, including covenants, tenure, interest rate, repayment schedule, whether secured (nature of security) or unsecured	Not applicable
	(d) Purpose for which funds will be utilized	Not applicable
8	Justification as to why the RPT is in the interest of the Company	FUSA will help the Company with greater operational capabilities to enhance Company's footprint in the US market and develop larger customer base. Among other benefits, the sale of Company's products through FUSA helps the Company to cater foreign markets, especially North American and Latin American markets, by supplying the products in competitive timelines i.e. reduction in the transport time. The transactions with FUSA are directly linked with the Company's sales and profits, and therefore are crucial for the Company's business. The Company: (i) receives proceeds from sale of its products; and (ii) pays commission to FUSA for distribution of its products.
9	Details about valuation, arm's length and ordinary course of business	Valuation is not applicable. The sale of Company's products and payment of commission to FUSA is in the ordinary course of business and on an arm's length basis.
10	Valuation and other external report, if any, relied upon by the listed entity in relation to the proposed transaction	Not applicable
11	Any other information relevant or important for the members to take an informed decision	Nil

Mr. Satish Varma, Executive Director, Mr. Prashant Nagre, Managing Director, and Mr. Sumesh Gandhi, Chief Financial Officer are managers in FUSA and their interest or concern or that of their relatives, is limited to the extent of their directorship or manager/ shareholding in FUSA and the company.

Except as mentioned, none of the Directors or Key Managerial Personnel and their relatives, are concerned or interested in this Resolution.

The Members may note that as per the provisions of the Listing Regulations, all related parties (whether such related party is a party to the above-mentioned transaction or not), shall not vote to approve the resolution set out in Item No. 5.

The Board recommends the Ordinary Resolution set out in Item No. 5 for the approval of Members.

Item No. 6:

The members of the Company at their meeting held on September 2, 2022 approved the Composite Scheme of Amalgamation and Arrangement (**'Scheme'**) amongst DVK Investments Private Limited (**"Transferor Company 1" / "DVK"**), Aegean Properties Limited (**"Transferor Company 2" / "APL"**), and Fermenta Biotech Limited (**"Transferee Company" /** the **"Company"**) and their respective Shareholders (**"Scheme"**). Thereafter, the National Company Law Tribunal, Mumbai Bench ("**NCLT**"), pursuant to its order dated May 08, 2023 ("**Order**"), sanctioned the said Scheme approving merger of DVK and APL with the Company. The Scheme was effective from May 24, 2023 ('**Effective Date**').

Prior to its amalgamation with the Company, DVK was a non-systemically important, non-deposit taking, non-banking financial company ("**NBFC**") registered with the Reserve Bank of India ("**RBI**"). As an NBFC, DVK was statutorily required, *inter alia*, to maintain a "special reserve" pursuant to section 45-IC of the Reserve Bank of India Act, 1934 ('**RBI Act**'), which is a provision and requirement that only applies to entities that are NBFCs. The amount of special reserve held pursuant to this requirement, as per DVK's audited financial statements for FY 2022-23 prior to the amalgamation, was ₹658.92 lakhs ("**Special Reserve**"). Pursuant to the said NCLT Order, DVK and APL were dissolved, without having been wound up, DVK's NBFC certificate of registration (no. 13.01816 dated December 19, 2005) was surrendered to the RBI, and the assets of DVK (*inter alia*) were transferred to the Company. The Scheme approved by the Hon'ble NCLT pursuant to the above-mentioned Order, *inter alia*, stated that the identity of the reserves standing in the books of account of Transferor Company 1 / DVK shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form as they appeared in the financial statements of the Transferor Company 1 / DVK. Accordingly, the said sum of ₹658.92 lakhs was transferred to the Company as a special reserve, and is held by the Company as a special reserve as on date.

Since the Company, post-amalgamation, is not a non-banking financial company ("**NBFC**"), and since DVK has been dissolved without being wound up, and since DVK's erstwhile NBFC registration has been surrendered to the RBI, the provisions of section 45-IC do not apply to the Company, and the Company is not required to maintain a special reserve to comply with the requirements of section 45-IC of the RBI Act.

Considering the above facts, and as it would be beneficial to the Company to be able to access and utilize the said funds, it is proposed to the members to approve transfer or other utilization of the amount of Special Reserve of ₹658.92 lakhs (as shown in the audited financial statements for FY 2022-23 of DVK), into general reserves, retained earnings or any other revenue reserve that can be freely utilized by the Company, subject to applicable regulations and relevant statutory approvals as may be required to implement the foregoing resolution.

None of the Directors, key managerial personnel of the Company and their relatives is concerned or interested in the special resolution set out in Item No. 6 of the accompanying Notice of the 71st AGM.

The Board of Directors of the Company at its meeting held on August 11, 2023, recommended the above resolution as an Ordinary resolution for members' approval.

By Order of the Board of Directors of
Fermenta Biotech Limited

SRIKANT N. SHARMA
Company Secretary & Vice President (Legal)
Membership No: FCS – 3617
Date: August 11, 2023, Thane

Registered Office:
A-1501, Thane One, DIL Complex,
Ghodbunder Road,
Majiwade, Thane (W) – 400 610

Brief profile of a director being re-appointed as required under sub- regulation (3) of Regulation 36 of the Listing Regulations and Secretarial Standard.

Name of the Director	Ms. Rajeshwari Datla
	Non- Executive Director
Date of first appointment on the Board	July 21, 2005
Qualifications	Bachelor of Science
Experience and Area of specialization	Over 43 years of experience. Rich management and operational experience in Pharmaceutical Industry and has been instrumental in FBL's journey till date.
Number of meetings of the Board of the Company attended during FY 2022- 23	5 (five)
Directorship held in other companies	• Dupen Laboratories Private Limited. • Lacto Cosmetics (Vapi) Private Limited.
Chairmanships/ Memberships of Committee* of other Company's Boards (as on March 31, 2023)	Nil
Terms and conditions of appointment along with remuneration proposed to be paid and Remuneration last drawn	N.A.
Shareholding of Director (FV of ₹5/- each) (as on March 31, 2023)	5,95,818
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Relative of Mr. Krishna Datla (Executive Vice Chairman) and Ms. Anupama Datla Desai (Executive Director)

Notes:

1. The Ministry of Corporate Affairs ("**MCA**") has, vide its General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, No.20/2020 dated May 5, 2020, No. 02/2021 dated January 13, 2021,read with other relevant circulars including General Circular No. 20/2021 dated December 8, 2021, General Circular No. 3/2022 dated May 5, 2022 and General Circular 10/2022 dated December 28, 2022 ("**MCA Circulars**"), and SEBI vide its Master circular SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 and other applicable circulars ("**SEBI Circulars**"), permitted holding of the Annual General Meeting ("**AGM**") through Video Conferencing or Other Audio Visual Means ("**VC / OAVM**"), without the physical presence of the members at a common venue during the calendar year 2023. Accordingly in compliance with the provisions of Section 101 and other applicable provisions of Companies Act, 2013 ("**Act**"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), MCA Circulars and SEBI Circulars, the Company has issued this notice to convene the 71st AGM through VC / OAVM. The venue of the AGM shall be deemed to be A-1501, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (West) - 400 610, Maharashtra.

2. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Act read with MCA Circulars and any other applicable law.

3. The Board of Directors at its meeting held on August 11, 2023 considered and decided to include the Special Business i.e., 4th, 5th and 6th items in the notice to the AGM in accordance with MCA Circulars. The relevant Explanatory Statement pursuant to Section 102 of the Act with respect to the special business items set out in the Notice is annexed.

4. The profile of the Director recommended for re-appointment at the AGM under item no. 3 of the Notice, as required by Listing Regulations and Secretarial Standard on General Meetings as specified by the Institute of Company Secretaries of India ("Secretarial Standard"), is furnished herewith along with the Notice of 71st AGM of the Company. The necessary statutory consent(s) and declaration(s) have been received by the Company from the director for her re-appointment.

5. Since this AGM is being held through VC/OAVM, physical attendance of members has been dispensed with pursuant to MCA Circulars and SEBI Circulars. The facility to appoint a proxy to attend and/or cast vote for the member is not available for this AGM. The proxy form, attendance slip and route map are not annexed to this Notice.

6. Pursuant to the provisions of Section 112 and 113 of the Act read with the MCA Circulars, corporate/entity members are entitled to attend and participate in the AGM through VC/OAVM and cast their votes through e-Voting. Corporate/entity members are required to send a certified copy of its board resolution or governing body resolution or duly executed authority letter/ power of attorney (collectively referred as "**Authorization letter**") in pdf or jpg format, authorizing its representative to attend the AGM through VC/ OAVM on its behalf and to vote through remote e-Voting or e-Voting. The said Authorization letter shall be sent to the Scrutinizer appointed by the Board of Directors of the Company viz. Mr. V. N. Deodhar (Membership No. FCS 1880), Proprietor of V. N. Deodhar & Co., Practising Company Secretaries, by email from their registered email address to vndeodhar@gmail.com with copies marked to the Company at info@fermentabiotech.com.

7. **Dividend related information:**

   A. Updation of members' details: The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act requires the Company/ Registrar & Transfer Agents ('R&T Agent') to record additional details of members, including their PAN details, email address, bank details for payment of dividend for the said updation. Members who have not shared the said information are requested to furnish the above details to the Company/ its R&T Agent i.e. in case of shares held in physical mode or to their Depository Participant(s) ("DP") in case of shares held in Dematerialisation ('Demat') mode .

   B. Members are hereby informed that pursuant to Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, (IEPF Rules), dividend which is remaining unpaid / unclaimed by Members for a period of seven consecutive years and corresponding shares shall be transferred to Investor Education and Protection Fund (IEPF). During FY 2022-23, unclaimed final equity dividend for the financial year 2014-15 (₹140,655) been transferred to IEPF. Correspondingly, 12,477 shares have also been transferred to IEPF.

      The details of shares (including FY 2014-15) already transferred to IEPF are available on Company's website at https://fermentabiotech.com/transfer-of-shares-to-iepf.php. Members whose dividend(s) and/ or shares have been transferred to IEPF can now claim their dividend(s) and/or shares from the IEPF Authority by following the 'Procedure to claim Refund' as detailed on the website of IEPF Authority at https://www.iepf.gov.in/IEPF/refund.html

      The details of Members whose dividends are lying unpaid/ unclaimed with the Company as on March 31, 2023, are available on the Company's website at https://fermentabiotech.com/dividends-bonus-split-buyback.php. The due dates for transfer of unclaimed/unpaid dividends of the financial year 2015-16 and thereafter are as available at https://fermentabiotech.com/ dividends-bonus-split-buyback.php.

All shares in respect of which equity dividend for FY 2015 - 16 has remained unpaid or unclaimed for seven consecutive years or more shall be transferred by the company to IEPF by November 02, 2023 along with the unpaid or unclaimed dividend thereon from final equity dividend for financial year 2015 - 16 onwards. The Company has sent individual intimation letters to concerned Members along with advertisement in the newspapers seeking action from the concerned Members. The details of such Members along with their unpaid/ unclaimed dividends and corresponding shares due for transfer to IEPF by November 02, 2023 will be made available on the website of the Company i.e. https:// fermentabiotech.com/dividends-bonus-split-buyback.php. Members are requested to claim their unencashed final dividend for the financial year 2015-16 and dividends declared thereafter, if any, by writing a letter to the Company or R&T Agent on or before Friday, September 29, 2023.

C. Deduction of tax at source on Final Dividend payout:

Dividend of ₹1.25 per equity share of ₹5 each, if approved, will be paid to those members / beneficial owners whose names appear in the Register of Members as on Record Date, Friday, September 22, 2023, by electronic transfer to those members who have furnished bank account details to the Company/ R&T Agent. Physical warrants shall be dispatched to the members who have not registered their ECS mandates. Members who have not registered their ECS are requested to register the same with the R&T at the earliest. The said Dividend if approved at the AGM will be paid to the members on or before Tuesday, October 10, 2023.

In accordance with the provisions of the Income Tax Act, 1961 (for the purpose of this note, hereinafter referred to as 'the Act') as amended by and read with the provisions of the Finance Act, 2020, with effect from April 01, 2020, dividend declared and paid by the Company is taxable in the hands of the members. The Company shall, therefore, be required to deduct tax at source ('TDS') from dividend paid to the members at the applicable rates.

The TDS rate may vary depending on the residential status of the shareholder and the documents submitted to the Company in accordance with the provisions of the Act. Please note that since the dividend shall be approved in the forthcoming AGM, it will be taxable to the shareholder in the FY 2023-24. Thus, all the details and declarations furnished should pertain to FY 2023-24.

The TDS provisions for various categories of members along with required documents are provided below:

(i) For Resident Members:

Category of Shareholder	Tax Deduction Rate	Exemption Applicability and Documents required
Any resident shareholder	10%	Please update the PAN, if not already done, with depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agents – Link Intime India Private Limited (in case of shares held in physical mode). Deduction of taxes shall not be applicable in the following cases – • If dividend income to a resident Individual shareholder during FY 2023- 24 does not exceed ₹5,000/-, • If shareholder is exempted from TDS provisions through any circular or notification and provides an attested copy of the PAN along with the documentary evidence in relation to the same.
Submission of Form 15G/ Form 15H	Nil	Eligible Shareholder shall provide Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an Individual above the age of 60 years) - provided that all the prescribed eligibility conditions are met.
Order under Section 197 of the Act	Rate provided in the order	Lower / NIL withholding tax certificate obtained from Income Tax authorities.

Category of Shareholder	Tax Deduction Rate	Exemption Applicability and Documents required
Insurance Companies: Public & Other Insurance Companies	Nil	Self-declaration that it has full beneficial interest with respect to shares owned, along with self-attested copy of PAN card and self-attested copy of registration certificate.
Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income- tax on its income	Nil	A self-declaration that dividend receivable by them is exempt from tax under Section 196 or other relevant provisions of the Income-tax Act, 1961; and Self-attested copies of documents in support of the claim.
New Pension System Trust	Nil	Documentary evidence that the Trust is established in India and is the beneficial owner of the share/shares held in the Company; and its income is exempt under Section 10(44) of the Act and being regulated by the provisions of the Indian Trusts Act, 1882; and it is submitting self-attested copy of the PAN card and self-attested copy of the registration certificate, as applicable.
Mutual Funds	Nil	Documentary evidence that the person is covered under Section 196 of the Act and a self- declaration that they are governed by the provisions of Section 10(23D) of the Act along with self-attested copy of registration certificate and self-attested copy of PAN.
Alternative Investment fund	Nil	Documentary evidence that the person is covered by Notification No. 51/2015 dated 25 June 2015 and a declaration that its income is exempt under Section 10(23FBA) of the Act, and they are established as Category I or Category II AIF under the SEBI regulations. Self-attested copy of registration certificate and self-attested copy of PAN should be provided.
Other resident shareholder without PAN/ Invalid PAN	20%	-

Please note that:

a) A valid Permanent Account Number ("PAN") will be mandatorily required. If, as statutorily required, any PAN is found to have not been linked with Aadhar number, then such PAN will be deemed invalid, and TDS would be deducted at higher rates under Section 206AA of the Act. We request you to inform us well in advance, if you have not linked your Aadhar with PAN as provided in Section 139AA (2) read with Rule 114AAA. The Company reserves its right to recover any demand raised subsequently on the Company for not informing the Company or providing incorrect information about the applicability of Section 206AA in your case.

b) Where the PAN is either not available or is invalid, tax shall be deducted at the rate prescribed as per Section 206AA of the Act or 20%, whichever is higher.

c) Members holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

(ii) For Non-Resident Members:

Category of Shareholder	Tax Deduction Rate	Exemption Applicability and Documents required
Non-resident members	20% (plus applicable surcharge and cess)	Non-resident members may opt for tax rate under the Tax Treaty. The Tax Treaty rate shall be applied for tax deduction at source on submission of following documents to the company: (i) Self-attested copy of PAN card, if any, allotted by the Indian income tax authorities. (ii) Self-attested copy of Tax Residency Certificate ("TRC") covering the financial year 2021-22 and obtained from the tax authorities of the country of which the shareholder is resident.

Category of Shareholder	Tax Deduction Rate	Exemption Applicability and Documents required
Non-resident members Submitting Order under Section 195(3) /197 of the Act	20% (plus applicable surcharge and cess) Rate provided in the Order	(iii) Self-declaration in Form 10F (refer format), if all the details required in this form are not mentioned in the TRC. (iv) Self-declaration (refer format) by the non-resident shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement (non-resident having Permanent Establishment in India would need to comply with provisions of Section 206AB of the Act). (v) In the case of Foreign Institutional Investors and Foreign Portfolio Investors, self- attested copy of SEBI registration certificate. (vi) In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidence demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA). TDS shall be recovered at 20% (plus applicable surcharge and cess) if any of the above-mentioned documents are not provided or if any document is not in order. The Company is not obligated to apply the Tax Treaty rates at the time of tax deduction/withholding on dividend amounts. Application of Tax Treaty rate shall depend upon the completeness of the documents submitted by the non-resident shareholder and are in accordance with the provisions of the Act. Lower/NIL withholding tax certificate obtained from Income Tax authorities.

Note:

Members holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

To summarise, dividend will be paid after deducting the tax at source as under:

- NIL for resident members receiving dividend up to ₹5,000 or in case Form 15G / Form 15H (as applicable) along with self- attested copy of the PAN card is submitted.
- 10% for other resident members in case copy of PAN card are provided/available.
- 20% for resident members if copy of PAN card is not provided / not available.
- Tax will be assessed on the basis of documents submitted by the non-resident members.
- 20% plus applicable surcharge and cess for non-resident members in case the relevant documents are not submitted.
- Lower/ NIL TDS on submission of self-attested copy of the valid certificate issued under Section 197 of the Act.

Aforesaid rates will be subject to applicability of Section 206AB of the Act.

In terms of Rule 37BA of Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration with Company in the manner prescribed by the Rules.

In case tax on dividend is deducted at a higher rate in the absence of receipt or defect in any of the aforementioned details / documents, shareholders will be able to claim refund of the excess tax deducted by filing your income tax return. No claim shall lie against the Company for such taxes deducted.

(iii) For all Members:

Forms 15G/15H/10F for tax exemption can be downloaded from the website of Link Intime India Private Limited ("LIIPL"). The URL for the same is https://www.linkintime.co.in/client-downloads.html - On this page select the General tab. All the forms are available under the head "Form 15G/15H/10F."

The aforementioned documents (duly completed and signed) are required to be uploaded on the URL https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html On this page the user shall be prompted to select / share the following information to register their request:

1. Select the company (Dropdown)
2. Folio / DP-Client ID
3. PAN
4. Financial year (Dropdown)
5. Form selection
6. Document attachment – 1 (PAN)
7. Document attachment – 2 (Forms)
8. Document attachment – 3 (Any other supporting document).

(iv) Section 206AB of the Act

TDS will be deducted @ 20% i.e., at twice the applicable rate on the amount of dividend payable where the resident members:

- have not furnished valid PAN; or
- are considered to be 'Specified Person 'under Section 206AB of the Income Tax Act, 1961 i.e., a resident shareholder who has:
  - (a) not filed return of income for the assessment year relevant to the previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing of return of income under Section 139(1) of the Income- tax Act, 1961 has expired; and
  - (b) been subjected to tax deduction / collection at source aggregating to ₹50,000/- or more in the aforesaid previous year.

The Central Board of Direct Taxes (CBDT) has prescribed the functionality for determining whether a person fulfils the conditions of being a 'Specified Person' or not. Accordingly, the Company will verify from the above functionality provided by CBDT whether any Shareholder of the Company qualifies as a 'Specified Person' prior to applying the relevant TDS rates.

(v) Other instructions:

Please note that duly completed and signed documents need to be submitted on or before Monday, September 18, 2023 (5:00 p.m. IST) in order to enable the Company to determine and deduct appropriate TDS / Withholding Tax. Incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication on the tax determination/deduction shall be considered after Monday, September 18, 2023 (5:00 p.m. IST) .

The Company will arrange to email a soft copy of TDS certificate to member's registered email ID, post completion of all dividend related activities.

Members may note that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from them, option is available to file the return of income as per the Act and claim an appropriate refund, if eligible. No claim shall, however, lie against the Company for such deduction of TDS.

All communications/queries in this respect should be addressed to Link Intime India Private Limited ("**LIIPL**") at its email address FBLdivtax@linkintime.co.in. Alternatively, you may contact the Company at info@fermentabiotech.com.

Members shall also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at https://incometaxindiaefiling.gov.in.

Further, members who have not registered their email address are requested to write to LIIPL or to the company to register the same.

Members are further requested to complete necessary formalities regarding their Bank accounts attached to their Dematerialization accounts for enabling the Company to make timely credit of dividend to their respective bank account.

Disclaimer: (a) In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the member, the member shall be responsible to indemnify the Company and also, provide the Company with all information/documents and to co-operate in such tax proceedings. (b) This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Members should consult their tax advisors for requisite action to be taken by them.

Members are requested to intimate changes, if any, including their name, postal address, e-mail address, telephone/mobile numbers, PAN, specimen signature, nomination, power of attorney registration, Bank Mandate details, IFS code and other services: (i) to their Depository Participant ("**DP**") in case the shares are held in electronic form and (ii) to LIIPL in case the shares are held in physical form, in the prescribed form i.e. ISR-1- Request for registering PAN, KYC details or changes / updation thereof; (ii) ISR-2- Confirmation of signature of a member by the Banker; (iii) ISR-3- Declaration Form for Opting-out of Nomination by holders of physical securities in Listed Companies; (iv) ISR-4- Request for issue of Duplicate Certificate and other Service Requests (for shares held in physical form)

Pursuant to the SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 prescribes (i) mandatory furnishing of PAN, KYC details and Nomination by holders of physical securities; (ii) Freezing of folios** without valid PAN, KYC details and Nomination; and (iii) Compulsory linking of PAN and Aadhaar by all holders of physical securities

**Details of the frozen folios of the company will be referred to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025

The members of the company who are holding shares in physical form are hereby notified to comply with the above circular *vis-à-vis* about their folio which is incomplete as per the above requirement, if applicable.

8. **Documents for inspection:**

   a) The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM at https://fermentabiotech.com/annual-report.php.

   b) All documents referred to in the Notice and the statement pursuant to Section 102 of the Act shall also be available electronically for inspection without any fee by members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to info@fermentabiotech.com.

9. a) In order to improve convenience, ease and safety of transactions and in view of SEBI notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and Regulation 40 of Listing Regulations which mandate that request for effecting the transfer, transmission and transposition of listed securities shall not be processed unless the securities are held in dematerialised form, effective April 01, 2019. Members are, therefore, advised to dematerialise their equity shares currently held in physical form, by contacting their DP(s). Shareholders are requested to consolidate multiple folios maintained by the company under the same PAN.

   b) Members can avail the nomination facility by filing Form SH-13 (in duplicate) prescribed under Section 72 of the Act and Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014 with the Company or with its R&T Agent (in case of physical shares) and to member's Depository Participant (in case of demat shares). The member can cancel or make variation in the Nomination by filing form SH-14. The above forms are available at the R&T Agent's website or will be made available on request in writing to the R&T Agent or to the Company.

10. In view of the MCA Circulars, the 71st Annual Report of the Company along with the Notice of the AGM, Remote e-Voting procedure is being sent only by e-mail, to all the Members whose e-mail addresses are registered with the Company / Depository Participant(s)/ R&T Agent for communication purposes.

    To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with the Company or with the R&T Agent at the earliest.

11. **Electronic Voting:**

    i. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder read with Regulation 44 of Listing Regulations read with SEBI Master Circular SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, the Company is pleased to provide the facility of remote e-Voting or e-Voting, through LIIPL i.e. Link Intime India Private Limited to exercise votes on the items of business given in this Notice, to members holding shares as on Friday, September 22, 2023 ("**Cut-Off Date**") fixed for determining the members who shall be eligible to attend the AGM, to ascertain voting rights of such members entitled to participate in the remote e-Voting process or voting at the AGM electronically (e-Voting), and to receive the dividend, if approved, as set out in the AGM Notice. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the Cut-Off Date. Any person who is not a member of the Company as on the Cut-Off Date should treat this Notice for information purposes only.

    ii. The remote e-Voting period commences on Tuesday, September 26, 2023 (9:00 a.m. IST) and ends on Thursday, September 28, 2023 (5:00 p.m. IST). During this period, members of the Company, holding shares either in physical form or in dematerialised form, as on Cut-Off Date may cast their vote through remote e-Voting facility. The facility for remote e-Voting shall remain open for not less than three days and shall close at 5:00 p.m. IST on Thursday, September 28, 2023. The remote e-Voting module shall be disabled by LIIPL for voting thereafter. Once the vote on a resolution is cast by the member, the same shall not be allowed to change subsequently. A member may participate in the AGM even after exercising his/her right to vote through remote e-Voting, however, his/her voting at the AGM shall not be considered. Alternatively, a member may cast his/her vote through the e-Voting facility provided by the Company during the meeting. In the case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.

iii. In case the members have any queries or issues regarding e-Voting, they may refer the Frequently Asked Questions ("FAQs") and InstaVote e-Voting manual available a https:// instavote.linkintime.co.in, under Help Section or send an email to enotices@linkintime.co.in or contact on: Tel: 022 – 4918 6000.

iv. Mr. V. N. Deodhar (Membership No. FCS-1880), Proprietor of V. N. Deodhar & Co., Practising Company Secretaries has been appointed as the Scrutiniser to scrutinise the e-Voting process and ballot forms as rreferred to in note 16, in a fair and transparent manner.

v. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-Voting and the e-Voting on the date of the AGM, in the presence of at least two witnesses not in the employment of the Company and make, not later than 2 (two) working days of conclusion of the AGM, a consolidated Scrutiniser's Report of the votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

vi. The results declared along with the Scrutiniser's Report shall be placed on the Company's website at https://fermentabiotech.com/stock-exchange-intimation.php and on the website of LIIPL at https://instavote.linkintime.co.in not later than 2 (two) working days of passing of resolutions at the 71st AGM of the Company and communicated to BSE Limited, where the shares of the Company are listed.

vii. Subject to casting of requisite number of assenting votes, the resolutions proposed in the Notice of AGM shall be deemed to be passed on the date of the AGM, i.e. Friday 29, September, 2023.

viii. Members are requested to follow the instructions given below as may be required i.e.:

(a) Instructions for members for remote e-Voting.

(b) Instructions for members attending the AGM through VC/ OAVM.

(c) Instructions for members to register themselves to speak during the AGM through InstaMeet; and

(d) Instructions for members to vote during the AGM through InstaMeet.

12. Instructions for members for remote e-Voting:

i. Pursuant to SEBI circular SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 regarding 'e-Voting facility provided by Listed Companies', individual members holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

ii. Members are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility. In case the email Id is not registered, such members can vote through InstaMeet.

iii. Login method for Individual members holding securities in demat mode/ physical mode is given below:

Type of members	Login Method
Individual Members holding securities in demat mode with NSDL	1. Existing IDeAS users can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login"" which is available under 'IDeAS' Section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see the e-Voting page. Click on company name or e-Voting service provider name i.e., LINKINTIME and you will be re- directed to "InstaVote" website for casting your vote during the remote e-Voting period. 2. If you are not registered for IDeAS e-Services, the option to register is available at https:// eservices.nsdl.com Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl. com/SecureWeb/IdeasDirectReg.jsp

Type of members	Login Method
	3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under Shareholder / Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
Individual Members holding securities in demat mode with CDSL	1. Existing users who have opted for CDSL Easi / Easiest, can login through their user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login of Easi/Easiest the user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by the company. On clicking the e-Voting option, the user will be able to see the e-Voting page of the e-Voting service provider i.e., LINKINTIME for casting your vote during the remote e-Voting period or during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, the option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a e-Voting link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Members (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository. After Successful login, you will be able to see an e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Type of members	Login Method
Individual Members holding securities in Physical mode & e-Voting service Provider is Link Intime.	1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in 2. Click on "**Sign Up**" under '**SHARE HOLDER**' tab and register with your following details: - **A. User ID:** Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID. **B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable. **C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format) **D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company. **Note:** Members/ members holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above. Shareholders holding shares in NSDL form shall provide 'D' above. * Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter). * Click "confirm" (Your password is now generated). 3. Click on '**Login**' under '**SHAREHOLDER**' tab. 4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'. Now, you may cast your vote electronically by following steps: 5. After successful login, you will be able to see the notification for e-Voting. Select '**View**' icon. 6. An E-Voting page will appear. 7. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link). 8. After selecting the desired option i.e., Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on 'No' and accordingly modify your vote.

(iv) Institutional members:

Institutional members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-Voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter /power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body'** login for the Scrutinizer to verify the same.

(v) Individual members holding securities in physical mode who have forgotten the password:

If an Individual Members holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both, then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: https:// instavote.linkintime.co.in

- Click on '**Login**' under 'SHAREHOLDER' tab and further Click '**forgot password**?'
- Enter '**User ID**', select '**Mode**' and Enter Image Verification (CAPTCHA) Code and Click on '**Submit**'.

  In case for attending is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

  User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

(vi) Individual members holding securities in demat mode with NSDL/ CDSL have forgotten the password:

Members/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For members/ members holding shares in physical form, the details can be used only for voting on the resolutions mentioned in this Notice.
- During the voting period, members/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

(vii) Helpdesk for Individual members holding securities in demat mode:

Individual Members holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Members holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at https://www.evoting.nsdl.com or call at : 022 - 4886 7000 and 022 - 2499 7000
Individual Members holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

(viii) Helpdesk for Individual members holding securities in physical mode/ Institutional members (where e-Voting service provider is Link Intime).

Members facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

13. Process and manner for members attending the AGM through VC/OAVM i.e. Instameet portal:

1. Members are being provided with a facility to attend the AGM through VC/OAVM through LIIPL by following the below mentioned process. Members may access the same at https://instameet.linkintime.co.in
2. Facility for joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM and will be available to the members on first-come-first-served basis.
3. Participation to the members through VC/OAVM shall be made available to members on first-come-first served basis in accordance with MCA Circulars, and it will be closed on expiry of 30 (Thirty) minutes from the scheduled time of the AGM. Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chairpersons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the AGM without restrictions of first-come-first-served basis.
4. Members will be provided with InstaMeet facility wherein members shall register their details and attend the AGM as under:

   a. Open the internet browser and launch the URL for InstaMeet https://instameet.linkintime.co.in & Click on "**Login.**

b. Select the "**Company**" and '**Event Date**' and register with your following details:

   i. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No.

      - Members/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
      - Members/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
      - Members/ members holding shares in physical form shall provide Folio Number registered with the Company

   ii. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

   iii. **Mobile No.:** Enter your mobile number.

   iv. **Email ID:** Enter your email id, as recorded with your DP/Company.

c. Click "**Go To Meeting**" (By this step you will be registered for InstaMeet and your attendance will be marked for the meeting).

Special instructions:

a) Please refer the following instructions for the software requirements and kindly ensure to install the same on the device which would be used to attend the AGM. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you below / at InstaMeet website.

b) **Guidelines for the registered speakers for speaking at the AGM through LIIPL's InstaMeet https://instameet. linkintime.co.in**

   i. For a smooth experience of viewing the AGM proceedings through LIIPL's InstaMEET, members/ members who are registered as speakers for the event are requested to download and install the Webex Meetings application in advance. Please download and install the Webex Meetings application by clicking on the link https://www.webex.com/downloads.html/

   OR

   ii. If you do not want to download and install the Webex Meetings application, you may join the meeting through InstaMEET and follow the process mentioned as under:

Step 1	Enter your First Name, Last Name and Email ID and click on Join Now
1(A)	If you have already installed the Webex Meetings application on your device, join the meeting by clicking on Join Now
1(B)	If the Webex Meetings application is not installed, a new page will appear giving you an option to either Add Webex to chrome or run a temporary application. Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now by filling your first name, last name and email address.

c) The following URLs need to be white-listed in your organisation's domain/your own laptop, desktop, tablet, smartphone etc. on the AGM date:

   A. https://camonview.com

   B. https://instameet.linkintime.co.in

d) Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience. Members are required to use internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

e) Any internet outage or fluctuation in connectivity at your site may have an adverse impact on the audio/ video quality during the meeting. LIIPL or the Company shall not be responsible for the same.

f) Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

g) In case the members have both the computer and telephone audio active or the speakers on members' computers or telephones are too close to each other or there are multiple computers with active audio in the same conference room, there will be instances of audio echo or feedback in the meeting.

h) In case two or more Members are joining the meeting through a Board Room/Common Location, proper arrangements of audio & video should be in place and Webex will be run on only one system.

i) Members are encouraged to speak in the Meeting after un-muting themselves once their turn arrives as per the script/their name is announced. Once the member has finished communicating, he/she should mute themselves immediately. (Mute your side if you're not speaking. Your microphone can pick up a lot of background noise, so muting allows others to easily hear others)

j) Guidelines to follow while participating in the meeting for a good audio-video experience:

* Use your earphones for better sound quality.
* Ensure no other background applications are running.
* Ensure your Wi-Fi or Broadband is not connected to. any other device.
* Have proper lighting in the room and avoid the background sounds.
* Ensure the background is bright.
* Please follow safety protocol while attending the meeting.

k) In case members have any queries regarding login/remote e-Voting/e-Voting, they may send an email to instameet@ linkintime.co.in or contact on: - Tel: 022-49186175 InstaMeet Support Desk, Link Intime India Private Limited.

14. Instructions for members to register themselves to speak during the Annual General Meeting through InstaMeet:

* Members who would like to speak during the meeting must register their request with the company.
* Members will get confirmation on first cum first basis depending upon the provision made by the client.
* Members will receive "speaking serial number" once they mark attendance for the meeting.
* Other members may ask questions to the panelist, via active chat-board during the meeting.
* Please remember to speak serial number and start your conversation with panelist by switching on video mode and audio of your device.

Note: Members are requested to speak only when moderator of the meeting/ management will announce the name and speaking serial number.

15. Instructions for members to vote during the AGM through InstaMeet:

Once the electronic voting is activated by the Scrutinizer / moderator during the meeting, the members who have not exercised their vote through the remote e-Voting can cast the vote as under:

i. On the Members VC page, click on the link for e-Voting "Cast your vote".

ii. Enter your 16-digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/registered email id) received during registration for InstaMeet and click on 'Submit'.

iii. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

iv. Cast your vote by selecting appropriate option i.e., "Favour/ Against" as desired. Enter the number of shares (which represents no. of votes) as on Cut-Off Date under "Favour/ Against".

v. After selecting the appropriate option i.e., 'Favour/Against' as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.

vi. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Members, who will be present in the AGM through InstaMeet facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the AGM. Members who have voted through Remote e-Voting prior to the AGM will be eligible to attend/ participate in the AGM through InstaMeet. However, they will not be eligible to vote again during the AGM.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for a better experience.

Shareholders/ Members are required to use the Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-Voting, they may send an email to instameet@ linkintime.co.in or contact on: - Tel: 022-49186175.

16. In addition to facility of remote e-Voting or e-Voting provided to the members at AGM and for their wider participation the

Company is providing a facility to vote by way of Ballot Form. Members who do not have access to remote e-Voting facility may download the Ballot Form available at Company's website at https://fermentabiotech.com/annual-report.php and send duly completed Ballot Form to reach the Scrutiniser, Mr. V. N. Deodhar, Proprietor of V.N. Deodhar & Co., Practising Company Secretaries, at the Registered Office of the Company not later than Thursday, September 28, 2023. (5:00 p.m. IST). Ballot Form received after the said date shall be treated as invalid. A Member may participate in the AGM even after exercising his/her right to vote through Ballot Form. A Member can opt for only one mode of voting i.e., either (a) electronically (either remote e-Voting or e-Voting at AGM) or (b) by Ballot Form. If a Member cast votes by both i.e., Ballot Form as well as electronically, then voting done electronically shall prevail and Ballot Form shall be treated as invalid. The Scrutinizer shall have the right to scrutinize the Ballot Form and decide its validity. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital.

17. The Annual Report 2022-23 including the Notice calling this AGM is being uploaded on the following websites: (i) https://fermentabiotech.com/annual-report.php (ii) www.bseindia.com and (iii) https://instavote.linkintime.co.in/.

18. The Annual Report 2022-23 including the Notice calling this AGM shall be sent to those members who will be holding shares as on Friday, September 1, 2023 as per the Register of Members and Register of Beneficial Owners of the Company. In case a person becomes a member of the Company after, Friday, September 1, 2023 and is a member as on the Cut-Off Date, such person may download the above from https://fermentabiotech.com/annual-report.php or request the Company at info@fermentabiotech.co for obtaining a physical copy. For remote e-Voting or attending the AGM through InstaMeet, a member may obtain sequence number/ event number by sending an email to LIIPL at rnt. helpdesk@linkintime.co.in or requesting to the Company at info@fermentabiotech.com, by mentioning his/her Folio No./ DP ID and Client ID.

19. Members seeking any information or clarification on the Annual Report are requested to send written queries to the Company Secretary at the Registered Office of the Company at least one week before the date of the 71st AGM, to make the information available at the AGM.

Corporate information

Board of Directors

Mr. Sanjay Buch
Chairman and Non-Executive Independent Director

Ms. Rajeshwari Datla
Non-Executive Director

Dr. Gopakumar Nair
Non-Executive Independent Director

Mr. Vinayak Hajare
Non-Executive Independent Director

Ms. Rajashri Ojha
Non-Executive Independent Director

Mr. Pramod Kasat
Non-Executive Independent Director

Mr. Krishna Datla
Executive Vice-Chairman (Whole-time Director)

Mr. Satish Varma
Executive Director

Ms. Anupama Datla Desai
Executive Director

Mr. Prashant Nagre
Managing Director

Company secretary

Mr. Srikant N. Sharma

Chief financial officer

Mr. Sumesh Gandhi

Websites

www.fermentabiotech.com
www.thaneone.com
www.vitamindguru.com

Solicitors

Crawford Bayley & Co.
Mundkur Law Partners

Auditors

S R B C & Co. LLP
Chartered Accountants

Tax auditors

SCA & Associates
Chartered Accountants

Internal auditors

M. M. Nissim & Co. LLP
Chartered Accountants

Cost auditors

Joshi Apte & Associates
Cost Accountants

Bankers

Bank of Baroda

Union Bank of India

IndusInd Bank

Yes Bank Limited

HDFC Bank Limited

Corporate identification number (CIN)

L99999MH1951PLC008485

International securities identification number (ISIN):

INE225B01021

Registered office

A -1501, Thane One, DIL Complex,
Ghodbunder Road, Majiwada,
Thane (West) - 400610,
Maharashtra, India.
Tel No: + 91 22 66230800
Fax No: + 91 22 67980899
Email: info@fermentabiotech.com

Works

Village Takoli, P. O. Nagwain,
Dist. Mandi - 175121,
Himachal Pradesh, India.

Z - 109 B & C, SEZ II, Dahej,
Taluka - Vagara,
Dist: Bharuch - 392130,
Gujarat, India.

FRK Plant, Sy. No. 3/A,
Pennepalli (V), Pellakuru Mandal,
Tirupati Dist., - 524126,
Andhra Pradesh

Research & development unit

(Biotech and API Lab)
Plot No B 41, Road No. 27,
Wagle Industrial Area,
Thane (West) - 400604,
Maharashtra, India

Registrar and transfer agents

Link Intime India Private Limited
C 101, 247 Park, L B S Marg,
Vikhroli West, Mumbai - 400083,
Maharashtra, India
Tel No: +91 22 49186000
Fax No: +91 22 49186060
Email: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

Fermenta Biotech Limited